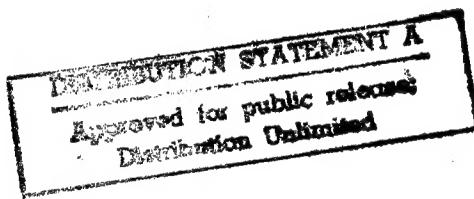


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8 March 1984

# Latin America Report



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8 March 1984

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## PETROLEUM DEVELOPMENT ACTIVITIES DESCRIBED

Bridgetown CANA in English 1205 GMT 15 Feb 84

[Report by Trevor Yearwood]

[Text] Bridgetown, Barbados, 15 Feb (CANA)--Barbados, a modest petroleum producer, is preparing to step up the hunt for oil, with the new target areas being the seabed and a rugged northeastern district.

Just how soon the island will drill its first offshore well will depend on the completion of seismic surveys of areas off the west and north coasts and on what turns up.

But next May, the government, which has only one producing field and that's at Woodbourne in southeastern Barbados, will start drilling for oil in the hilly northeastern stretch called the Scotland District.

The plan is to drill 10 shallow exploratory wells in the Scotland District, to a depth of between 2,800 and 3,000 feet. Petro Canada International is financing the programme, which costs 4 million Canadian dollars.

How much oil is in the district is still unclear, but Energy Minister Clyde Griffith said the also unquantifiable offshore resources had "generated some excitement."

The state-owned Barbados National Oil Company (BNOC), which runs the small exploration programme, recently signed an agreement with the British firm, Cluff Oil, to conduct a seismic survey and drill a well in an area about 25 miles off Barbados' north coast.

The island is also involved in a seismic exploration project which Petro Canada's ship, the "Bernier," is conducting in the Caribbeans "Tobago Basin," stretching off Barbados west coast to the coast of Tobago. The project also involves St Lucia, St Vincent and the Grenadines, and Grenada.

"We know that there are indications of hydrocarbon deposits offshore, indeed in the entire Tobago basin," Griffith said. "They are at water depths ranging from 2,000 to 6,000 feet.

"In Barbados we have only had one structural line done through seismic shots and that line has generated some excitement. What we need to do is to look and see exactly how best we can determine where wells should be drilled and how best we can define exactly what [word indistinct] there.

"That is part of the Petro Canada programme offshore. The other part is that we have just issued a license to a company in Britain to not only do further seismic shots in one specific area but to drill a well in that same area to see exactly what is the nature of the hydrocarbon structure.

"It could be oil, it could be natural gas. Who knows? Also, drilling a well will help us determine whether or not it is economically feasible to produce from those depths in quantities that will make an investment worthwhile."

The technology for recovering oil 6,000 feet or more below the surface is already available, but getting the finance to develop the type of production system that must be used "can take from 7 to 10 years," Griffith told CANA. "We've cut some of that time out by having some designs made by British firms," Griffith remarked.

Representatives of the British high-technology firms, including British Steel, Dunlop, Pirelli and Havron, met in Barbados last January to review options for recovering oil and gas. The group said it could be some time before Barbados got around to drilling its first offshore well.

So far Barbados has drilled 88 on-shore wells, 57 of them under the U.S.-owned Mobil Oil Company, which handled the exploration programme here until mid-1979. The plan is to drill 20-24 wells a year.

Barbados is now producing 1,500 barrels per day (BPD), more than double the BPD when BNOC took over from Mobil, and roughly 200 BPD above last December's figure.

Last year Barbados produced 380,000 barrels of oil and the government expects to push production to 520,000 barrels by the end of 1985.

Explaining the stepped-up production, Griffith said: "We're drilling more wells. There is a greater efficiency in the well-drilling equipment they have. Once before they were drilling one and a half wells a month and now they are drilling two wells a month." He added: "They're drilling in an area now where they are very satisfied with the kind of structures they're getting."

Under Mobil, Griffith said, "we were producing about 650 barrels a day. We were not satisfied that they were doing their best to help Barbados. If you understand the nature of multinationals, then you understand why they were so indifferent to what our domestic needs are.

"They were more interested in what their own corporate requirements are, what their shareholders are interested in, what their strategy for operating is going to be, and therefore they were more interested in stockpiling for their international operations."

It was, said Griffith, "a clash of priorities," with Mobil regarding the operation here as marginal, and the government viewing it as "very significant."

Petro Canada has played a key role in the oil recovery programme, providing manpower, technical assistance and training. It is offering its services in the procurement of Canadian field equipment and materials under a 6-million Canadian dollar line of credit Ottawa extended to Barbados recently.

One result of the acceleration in the rate of oil recovery has been the sharp cutback in the island's fuel import bill.

Barbados spent 92.6 million dollars on imported oil in 1981, 74.1 million dollars the following year, and about 56 million dollars last year. Government officials are forecasting a further decline this year.

Production, now at its highest, is expected to reach 2,000 BPD by April, according to the government's projections. That would be half the current demand for oil.

In spite of industrial expansion, the demand has been relatively stable at between 3,500 and 4,000 barrels per day for a number of years.

This, said Griffith, is because basically Barbadians are "very responsible people when it comes to the use of energy." Last September the government launched a conservation project aimed at having the national energy consumption trimmed by up to 15 percent yearly.

The stepped up oil extraction has triggered some problems, however.

"Our success has created some difficulties--a problem of storage," said Griffith. "The agreement with Mobile (Barbados lone refinery) calls for daily production of 1,000 barrels, that's the sales agreement.

"This means that Mobile is bound to accept 1,000 barrels a day. Because it has to run the imported cocktail (a petroleum mix) on a different run from the local crude simply because the local crude does not generate asphalt, then it presents a problem of storage.

"We have found that the Mobil refinery has some difficulty in absorbing the kind of production that we have been experiencing in the recent past. What we are doing now is looking at a tankage programme at Graves End (near Bridgetown) where we will give Mobil permission to increase their tankage and remove some small tanks and obsolete tanks from the area.

"This increased tankage would go a long way towards accommodating the increased production at Woodbourne and also have an environmental impact on the area (Graves End) because some of the old tanks would be removed."

The refinery has been a bone of contention between the government and the parliamentary opposition, which suggested it be closed down and Barbados meet its oil demands through imports from Trinidad and Tobago.

Griffith said the government was not prepared to shut down the refinery unless it was sure of supply sources.

"Three or four studies have been done (on the refinery), the last of them last year under my ministry's instigation," said Griffith.

"Basically, all have come to the conclusion that we could do without a refinery.... However, we have to look at the most important factor--that is security of supply.

"Barbados is among the moving forces behind the regional energy action plan which is designed to provide more security for the energy needs of the Caribbean region.

"We have looked at the whole question of refinery capacity needs in the Caribbean. There is no doubt about it--there's excess refinery capacity in the Caribbean for the small market that we have and the regional energy plan calls for the rationalisation of this refinery capacity so that we can cut back on some of it.

"Moreover, there is a commitment that we should use Trinidad as the supplier of first resort once we start talking about cutting back on refining capacity. But Trinidad is now trying to resolve its own difficulties with Texaco and its own excess capacity and until they have resolved that, then there isn't much we can do in terms of living up to the letter and spirit of what we agreed on.

"It would not be wise for the government of Barbados just to close the refinery because of the need to close it on economic grounds without being sure of supply sources," Griffith said.

Texaco has offered the Trinidad and Tobago Government a 75-percent shareholding in its refinery in the twin-island republic--the states biggest.

The offer, which the government recently said it was ready to negotiate, followed a continued reduction in the refinery's throughput. It is now operating at way below its 350,000 BPD capacity.

Texaco has been trimming its Trinidad operation, saying it is losing money because of a drop in the international demand for its products, coupled with "unreasonable" Trinidad taxes.

Last September it suspended crude oil imports, saying it was losing money on this operation.

"We are watching the Trinidad situation," said Griffith, "because we want to be sure that Trinidad resolves its difficulties with Texaco, and then we can take steps to look at the whole question of importing the product from Trinidad."

Barbados has been producing a light crude, which is used "to extract as many light fuels as possible, such as gasoline and gas oil."

According to Griffith, "it is not the type of crude you want to use for any heavier type of product such as asphalt."

Reserves at Woodbourne, where all is produced, are estimated at 3 million barrels, but Griffith said that seismic surveys threw up data which "suggests that there may be other Woodbournes."

The cost of producing that oil have dropped since the BNOC takeover. According to Griffith it cost Mobil 750,000 dollars (U.S.) to drill one well, but the BNOC is spending between 450,000 and 550,000 dollars (U.S.) on each well.

CSO: 3298/1120

## HYDROELECTRIC COMPLEX TO SUPPLY 30 PERCENT OF NATION'S ELECTRICITY

Santiago EL MERCURIO in Spanish 25 Jan 84 p C-3

[Article by Raul Balboa Ibanez]

[Excerpt] Construction of the Colbun-Machicura hydroelectric complex, undertaken by the French-Chilean consortium "CCI-Ingecil," is 85 percent complete.

According to plans, the remaining 15 percent will be completed in another year.

It has been explained that according to plans the Colbun plant will generate 400,000 kilowatts in 1985 during its first phase. If the capacity of the Machicura plant, which will be 90,000 kilowatts, is added along with that of Chibурго with 56,000 kilowatts, the complex will generate a total of 3.25 billion kilowatts-hours as an annual average.

In the decade of the 1990's, considered to be the second phase, Colbun will generate an additional 400,000 kilowatts. Therefore, the plants are expected to generate 3.55 billion kilowatts-hours, or about 30 percent of the country's present electric power production.

It was explained that this is a very important project since it helps to supply the country's electric power needs, which are increasingly greater.

The works about to be completed include the adduction tunnel, concentrator of canals, main dam terminal, completion of the two plants, work on siphons, replenishment bridges on certain irrigation canals, balance vent and others.

#### Contribution to Irrigation

The return canal that originates at the Machicura plant will have a total path of 27 km over farmland. It has the special feature that once its waters have been used to generate electric power at the plants, they will improve the irrigation of 330,000 hectares, in addition to incorporating another 125,000 hectares. Talca and Linares provinces will benefit from this irrigation.

It is called a return canal because after its waters make their run, they will return to their river of origin, the Maule.

To undertake these works, the French firm CCI brought all types of heavy equipment, costing approximately \$35 million, to the complex. They include graders, power shovels, high-tonnage trucks, gallery railway equipment, concrete production plant and other equipment.

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CSO: 3348/247

## ENERGY MINISTER ON NATURAL GAS, ELECTRICITY PRODUCTION

Bogota EL SIGLO in Spanish 3 Jan 84 pp 1, 3

[Text] In view of the tightening of foreign credit and a rather difficult fiscal situation, 1983's financial success in Colombia was the National Electric Power Financial Institution, since it managed in less than 40 days to invest 7 billion pesos in Electrical Power Certificates of Valuation, when the time originally allotted for their investment was 1 year, the minister of mines and energy, Carlos Martinez Simahan, has said.

The high official, in summarizing for EL SIGLO's financial editor the activities carried out in the mining and energy sector during 1983, said that with the capital granted by the national government to the National Electric Power Financial Institution, the goal of disbursing to this sector 15 billion pesos during the past year was achieved. "The year 1983 showed notably positive signs after the impasse of the preceding year. We succeeded in adjusting the production of electricity to meet the demand, which has fortunately overcome the problem of rationing. The increasing pace is being maintained in development projects, particularly the hydroelectric projects, which are scheduled to begin operation in the next few years, and therefore it may be said that Colombia will have enough energy for its development," the high official noted.

At the same time the minister emphasized the government's decision to promote the exportation of coal extracted from the El Cerrejon mines in Guajira for 1985 with the aim of surmounting the deficit which Colombia has in its balance of payments.

He said the port at Bahia Portete, which will accommodate ships with a capacity up to 150,000 tons, is more than 40 percent completed and will be finished at the end of 1984.

The goal of that project is to achieve a production of 15 million tons annually. Over the long term Colombia hopes to supply 10 percent of the world's demand for coal.

"Colombia will move into Europe in 1985, a year in which the demand for coal is expected to increase, and this is especially significant because we will arrive at a time when the long-term contracts will be signed. We are only just starting out on the road to large-scale mining, and we need to make known not only the quality of our coal, but our efficiency as well in a project of this magnitude, the biggest in Latin America," Minister Martinez Simahan said.

## Colombianization

The cabinet minister of the Ministry of Mines and Energy emphasized as well the process of Colombianization, which is being applied in the major mining and energy projects, where the country intends to make the biggest investments over the next few years.

The official reiterated that this process does not imply that foreign capital and technology will be eliminated from these important projects, but rather that domestic engineering firms and the national labor force will play a bigger role, working through trade agreements and in association with the foreign companies.

Colombia wants and needs the support of international capital and technology in a number of instances, and, therefore, has invited this capital and technology to participate in such a way that implicit in the cooperation there will be a growing transfer of technology, the minister of mines has said on several occasions.

"In 1983 we achieved the Colombianization of the Cerrejon Norte project. This signifies in concrete terms that the government, following its decision to Colombianize the project, ordered the subdivision of the construction into its various aspects, in order to define the role of domestic industry, and we can rightly say that the contracts for the Colombians are in excess of 55 billion pesos.

"Today there are approximately 9,600 workers employed either as staff employees or as subcontract workers, of whom more than 3,600 are from the Guajira area, which, in keeping with the Colombianization of the project, implies the systematization of a regional contribution to the project, because to provide employment is, without a doubt, to achieve progress," Mr Martinez Simahan emphasized.

In addition to these previous accomplishments, plans and studies for land development are being carried out. This land is included in what is known as the "mining corridor." Here, the basic infrastructure will be developed in telecommunications as well as in the construction of aqueducts, the installation of sewers, the building of schools and homes, and in the maintenance of public health, he explained.

## Petroleum

The high official also stressed the significant increase recorded in petroleum production, which went from 146,000 barrels a day in 1982 to 170,000 barrels a day in 1983, with a potential of reaching in 1984 a figure of 180,000 barrels a day.

"This is already a significant example of what ECOPETROL [Colombian Petroleum Enterprise] has accomplished with its associate enterprises to bring us closer, however slowly, to our goal of self-sufficiency, which is not, as is rumored, just around the corner," Minister Martinez Simahan noted.

He subsequently emphasized the necessity of lowering the consumption of fuels in the nation, as a strategy for reducing dependence on imports and for promoting our progress toward self-sufficiency in this area.

He said that the construction project for laying two new petroleum pipelines by ECOPETROL is progressing satisfactorily. The pipelines, originating in the Llanos Orientales, will terminate at the refineries in Barranca and Cartagena.

#### Natural Gas

He noted, in another connection, that the recently initiated use of compressed natural gas in automobiles will become quite widespread, especially on the Atlantic Coast, an area which provides over 70 percent of the nation's natural gas. "If we had a widespread response, we would have to insist on constructing a natural gas pipeline from the Atlantic Coast to central Colombia in order to use this gas not only for motor vehicles, but for household purposes, and this would be a good solution to the heating oil problem, Mr Martinez Simahan added.

Natural gas is convenient for the consumer, because it is cheaper and helps Colombia, because we would be able to import less gasoline.

The minister of mines has summarized the advantages of natural gas with the following example:

If we consider a consumer who uses 100 cubic feet of gas per day, which equals 32 gallons of propane gas or 880 kilowatt-hours per month, we would be dealing with a monthly bill of 450 pesos (including the cost of installation), compared with a cost of 900 pesos for liquefied petroleum gas and 2,640 pesos if electricity is used.

This is considering the average cost of a kilowatt hour on the Atlantic Coast. For the country the substitution of natural gas for liquid fuels represents a savings of over 260 million pesos per year (\$4 million) according to estimates made by the ministry a year and a half ago.

The use of natural gas in the home was begun in the city of Barranquilla with the construction of the Ballena-Barranquilla-Cartagena natural gas pipeline.

There are presently in service distribution networks located in Cartagena, Bucaramanga, Neiva, El Rodadero and Riohacha.

#### Projects

It is estimated that in the next decade the mining and energy sector will invest between \$40 and \$50 billion. To say that the financing of the sector is assured would not be true, but these types of projects, which are productive and stimulate development, find great favor with the IMF," the minister said.

Finally, he announced that the nation's electrical power generation will increase by 20 percent in 1984 when the following plants go into operation: San Carlos I, operated by Interconexion Electrica, S.A., with 620,000 kilowatts; Termozipa V from the same entity, with 66,000 kilowatts; Mesitas, operated by the Electric Energy Enterprise of Bogota; Salvajina, operated by the CVC [Regional Autonomous Corporation of the Cauca Valley], with 270,000 kilowatts; and Termo-Tasajero operated by the ICEL [Colombian Electrical Power Institute], with 150,000 kilowatts.

CSO: 3348/281

## BRIEFS

PETROLEUM PRODUCTION 1983 INCREASE--Petroleum production in Colombia has attained acceptable levels during the last years, but in 1983 it reached one of the highest recorded since the beginning of the 70's, according to a statement issued yesterday by the president of the Colombian Petroleum Enterprise (ECOPETROL), Rodolfo Segovia. The increase reportedly achieved an index of 7.3 percent for national petroleum production during 1983. The production on 31 December last year stood at 165,011 barrels per day, which represents the percentage increase cited above when compared to the cumulative average of the year immediately preceding. "The production volumes, which were showing significant growth at the beginning of the second quarter of 1983, reached at the year's end the highest level recorded in Colombia since 1974," the ECOPETROL representative noted. Comparing the production average for the month of December 1982 with that of 1983, the increase in national production of hydrocarbons achieved an index of 15 percent, he added, placing Colombia in an optimistic position with regard to its dependence on imports of this sort. However, Colombia continues to evidence a high purchasing index for foreign fuels, which can be reduced through diversification in the application of these energy resources. The Ministry of Mines has already undertaken a campaign to promote the use of natural gas, in order to replace some other traditional sources which, over the medium term, can become extremely scarce. [Bogota EL ESPECTADOR in Spanish 11 Jan 84 p 10-A]

CSO: 3348/274

## DPA SURVEYS L.A. DEBT, RESERVES, INFLATION, OTHER INDICATORS

Mexico City EXCELSIOR in Spanish 19 Dec 83 Financial-Cultural Section pp 2, 3

[Article by Walter Krohne: "Economic Situation Country by Country"]

[Text] Hamburg, 18 December (DPA)--The detailed country by country DPA survey results on the economic situation in Latin America are the following: (abbreviations used: FD: foreign debt; 2. RE-renegotiation; 3. MR-monetary reserves; 4. IN-inflation and 5. UN-unemployed. In addition: CR-creditors and IMF-International Monetary Fund.

Argentina (Osvaldo Maxitelli reporting)

1. FD: \$43 billion of which some \$9,523,000,000 will have to be paid in 1984 (1982: \$39,139,000,000). This debt is 438 percent larger than in 1976. CR: IMF and 320 foreign banks, North American, Japanese and several British (the latter are owed a total of \$1.6 billion; 2. RE: negotiations have been going on since July 1982 with the IMF and with all creditor countries except Great Britain with whom negotiations are carried out in an indirect manner; 3. MR: \$1,420,000,000 (\$1.1 billion abroad and a little more than \$320 million in the central bank; 4. IN: 281.3 percent up to 31 October 1983 (higher by 32 percent than in the same period in 1982. Forecast for 1983: 300 percent. Between March 1976 and August 1983 the cost of living increased by 73.899 percent, while wages only increased 55.023 percent. 5. UN: It affects 2.3 million of a working population of 9,780,000 people, 24 percent (according to the General Confederation of Labor--CGT--which also includes the underemployed). Other private sources: 1.6 million unemployed.

Bolivia (Ximena Vargas reporting)

1. FD: \$5 billion (state contracted: \$4.5 billion and private: \$500 million). Of this amount some \$3.5 billion have already been actually disbursed; 2. Renegotiation: Only a partial payment of the state foreign debt interest has been acknowledged by means of a recent agreement with the creditors of the international banking system (128 banks headed by the Bank of America). Payments of interest have been suspended until the first 2-month period of 1984 and periods have been extended. Private debt, which now "is in arrears" which has resulted in a freeze by the transnational banking system, has not been renegotiated. Observers opine that an agreement with the IMF will be necessary for an overall renegotiation of the Bolivian foreign debt; 3. MR: \$270 million; 4. IN: 150

percent (to 31 October 1983), with a forecast of 200 percent to the end of December; 300 percent in 1982. 5. UN: around 35 percent of a labor force of 1,916,700 persons....(670,845 unemployed).

Brazil (Diana Renee reporting)

1. FD: \$96.5 billion to 31 December 1983 according to the Central Bank. It recently signed a new agreement with the IMF to receive an expanded loan of \$4.9 billion, interrupted last May for not complying with the goals established by the original agreement. Moreover, it negotiated a "jumbo loan" with private banks, which already reaches \$6 billion and could rise to \$6.5 billion. It also renegotiated successfully \$3.8 billion of its debt to the Club de Paris last November.

3. MR: Brazilian Finance Minister Ernane Galvaes said Brazil will end 1983 with reserves of \$1 billion; 4. IN: Up to last October it was 197.2 percent. According to Minister Galvaes, it will be more than 213 percent in December; 5. UN: No overall figures exist. According to the Brazilian Institute of Geography and Statistics (IBGE), the average rate is between 6 and 7 percent in the six main metropolitan regions. Estimates by several economists, among them Celso Furtado, indicate that the number of unemployed reaches 5 million and that of underemployed reaches 7 million in a economically active population of 50 million people (24 percent unemployed).

According to Julian Chacel of the Getulio Vargas Foundation, the Domestic Gross Product this year has suffered a decline of 4 percent. There are no overall figures on bankruptcies of companies. However, as an example, between January and October the number of petitions for "bankruptcy decrees" accepted in Sao Paulo was 697 compared to 623 in a similar period of 1982 (an 11.9 percent increase).

Colombia (Carlos Alberto Rueda reporting)

1. FD: \$2,223,480,000 (state debt to 31 August 1983). In 1982, \$1,838,940,000; 2. CR: 39 of them including the Inter-American Development Bank, the International Bank for Reconstruction and Development and the International Development Agency).

3. RE: There are no moves toward renegotiation; 3. MR: \$3,150,000,000 to 30 October 1983; 4. IN: 14.86 percent to 31 October 1983 (National Administrative Statistics Department); 5. UN: There are no official figures. However, it is estimated unofficially that in a labor force of 8,550,000 persons there are 790,000 unemployed (rate 9.3 percent). In the cities of Cali, Medellin, Bogota and Barranquilla, this rate reached 11.5 percent last September.

Costa Rica (Danilo Arias reporting)

1. FD: \$3.5 billion. CR: the United States, the FRG, France, Mexico and Venezuela; 2. RE: renegotiation of interest up to 1987 will be done; 3. MR: \$200 million; 4: IN: 14 percent. Forecast for 1983, 15 percent; 5. UN: 8.2 percent of a labor force of 920,000 persons (67,240 unemployed). In 1983 45 companies declared bankruptcy and 25 new ones were created in Costa Rica.

Chile (Heriberto Zecher reporting)

1. FD: \$20 billion according to private bank sources; 2. RE: Chile renegotiated the debt for 1983 and 1984 (\$3.4 billion) with some 600 foreign banks for an 8-year period, although the final agreement has not yet been signed; 3. MR: \$1,972,000,000 up to 30 November of this year; 4. IN: 22.3 percent up to last 30 November. Forecast for 1983: 25 percent. 5. UN: 32 percent of an economically active population estimated at 3,503,600 workers. In real figures, unemployment affects 1,132,815 persons (including complete unemployment and underemployment in the programs of minimum employment "PEM" and heads of households "POJH", with average wages ranging from \$25 to \$50 per month). This year 469 companies have declared bankruptcy in Chile.

Ecuador (Miguel Arias reporting)

1. FD: state, \$6.6 billion; 2. RE: with the backing of the IMF, negotiations were transacted with some 350 creditor banks, which appointed a "working committee" to deal with periods, conditions and procedures. Moreover, a loan was obtained from the IMF for \$171 million; 3. MR: \$108 million (September 1983). In 1980 it was \$500 million; 4. IN: 61 percent; 5. UN: 52 percent (unemployed and underemployed) in an economically active population of 3,510,000 workers (1,825,200 unemployed). This year it is estimated that the Ecuadorean economic balance will have a Domestic Gross Product which has gone down to 1.4 percent. The sectors showing a positive growth are: electricity, gas, petroleum, mines and transportation. Negative figures are shown in trade, industry and agriculture.

Guatemala (Julio Cesar Anzueto reporting)

1. FD: \$1,043,000,000 (state). In 1982 it was \$1.1 billion. CR: IDB, World Bank, Central American Bank of Economic Integration (BCIE); 2. RE: There are no transactions for renegotiation. It is believed that Guatemala is one of the countries with the smallest foreign debt by comparison with its ability to pay; 3. MR: \$365 million; 4. IN: 15 percent; 5. UN: estimated at 1.5 million for 1983, according to a recent report from the Ministry of Labor. This is equivalent to 50 percent of the labor force of 3 million persons.

Mexico (Juan Carlos Salazar reporting)

1. FD: \$85 billion (state debt). It was \$60 billion in July 1983; \$58,874,000,000 in 1982; 2. RE: this year Mexico renegotiated \$23 billion of its public debt, which was to have been amortized in the period 1983-1985, and \$12 billion of the private debt; 3. MR: \$3.5 billion in August of this year; 4. IN: 63.7 percent up to 31 October last and 80 percent to December; 5. UN: the open rate stayed at 8.5 percent of a labor force of 25 million persons (2,125,000 unemployed). According to private statistics, open unemployment varies from 10 to 15 percent. The Mexican Government declares that it has controlled the most acute aspects of the crisis through the application of a severe austerity program.

Deterioration in the rate of exchange caused it to fall from 466 percent (1981-82) to 49 percent in the controlled rate of exchange and 8 percent in the free. The trade balance had a favorable difference of \$12 billion. The state deficit fell below 18 percent in 1982 to 8.5 percent in 1983. In proportion to national production, the public debt declined from 69 percent in 1982 to 58 percent in 1983. Economic growth declined to less than 3.5 percent in 1983. For 1984 the government proposes to lower inflation to 40 percent, achieve an economic growth of 1 percent limit new public indebtedness to \$4 billion, not exceed the rate of unemployment of 8.5 percent and reduce the public deficit to 5.5 percent.

Nicaragua (J. Esteban Quezada reporting)

1. FD: \$3.2 billion; 2. RE: Underway. A debt with the United States of nearly \$170 million remains to be negotiated. Two years ago it reached an agreement with private banks and international bodies, which is being complied with, although with certain delays. 3. MR: \$162 million in October 1982. Unofficially it was learned that Nicaragua has used part of its reserves in recent months, but no report on the amount was forthcoming. 4. IN: 30 percent (1982: 18 percent); 5. UN: 19.8 percent (138,600 persons). The labor force of the country is estimated at 700,000 workers (unofficial figure).

Panama (Danilo Arias reporting)

1. FD: \$4 billion (1982: \$2.3 billion); CR: United States and European private banks; 2. RE: negotiations are going on for updating the debt on the basis of 3 years of grace and payments of amortizations later; 3. MR: \$300 million; 4. IN: 20 percent with a forecast of 21 percent by the end of December; 5. UN: 22 percent, which is the equivalent of 180,400 unemployed in a labor force of 820,000 persons (1982: 15 percent).

Peru (Ricardo Mueller reporting)

1. FD: \$12 billion at the end of September; CR: countries members of the Paris Club and the Soviet Union (with the latter the debt is entirely for military purchases); 2. RE: renegotiation talks being held with the Paris Club, the IMF and the Soviet Union (a refinancing of its debt with Moscow, which is more than a billion dollars, has already been achieved); 3. MR: \$1,008,000,000 (on 4 November); 4. IN: 115.3 percent up to last November; it being estimated that by the end of December it should reach 120 percent (the highest in Peruvian history); 6. UN: 56.8 percent (unemployment and underemployment) of the estimated 6 million persons in the economically active population (3,408,000 unemployed).

Uruguay (Alberto Zenga reporting)

1. FD: \$4,243,000,000 to 30 June 1983; 2. RE: underway; 3. MR: \$193 million in August; 4. IN: 42.38 percent up to last September (forecasts for 1983: 55 percent); 5. UN: 16 percent of a labor force of 1.1 million persons (August 1983), which means 176,000 unemployed. Unofficial estimates indicate that this year 80 companies will declare themselves bankrupt, figure which last year reached 120.

Venezuela (R. Leon de Hinojosa reporting)

1. FD: state, \$27.5 billion; 2. RE: there are negotiations, but up to now unsuccessful. The bank system (European and North American) which appears as creditor has deferred refinancing until after the Venezuelan elections, which were held recently. The president-elect, Jaime Lusinchi, is studying the makeup of a technical team which will study the subject, even before he is sworn in next February; 3. MR: \$10.5 billion. Operational reserves stand at \$5.5 billion. 4. IN: the projection for 1983 is approximately 9 percent. In 1982 it was 12.3 percent; 5. UN: 2 percent, which means 100,000 unemployed of a working population of 5 million workers.

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CSO: 3248/386

## ECLA ISSUES ECONOMIC REPORT ON COLOMBIA, OTHER L.A. COUNTRIES

Bogota EL TIEMPO in Spanish 9 Jan 84 pp 1-B, 2-B

[Text] The inflation rate was 17 percent, the gross domestic product grew 0.5 percent and debt servicing was 21 percent above Colombia's total exports in 1983, according to a preliminary report from the Economic Commission for Latin America (ECLA) revealed by the government.

The minister of development, Rodrigo Marin Bernal, was of the opinion that the ECLA's initial indicators are favorable for the country, particularly when the scene is not very encouraging for Latin America, nor for the majority of the countries of the hemisphere because of the recession.

Marin Bernal trusted that the final growth of the economy would be above 1.5 percent; he emphasized the good judgment which has guided the management of the foreign debt and reiterated that the new loans will be allocated to promote production, to generate employment and for the social well-being.

## 1983 Economic Level

Colombia is one of five countries which, out of the total 19 that comprise the Latin American region, showed favorable signs in terms of economic performance, according to the ECLA report.

The growth in the gross domestic product was 2 percent in Argentina, 0.5 percent in Colombia, 2 percent in Nicaragua, 0.5 percent in Panama and 4 percent in the Dominican Republic.

The minister stressed that "this is a matter of preliminary reports which are subject to later reconciliation and adjustments, since the ECLA does not have at its disposal the reports dealing with the final part of the year."

Marin Bernal recalled that "significant changes occurred in Colombia's economic trend, especially in the industrial sector, and there was at the same time a consolidation in the recovery process for the agricultural and construction sectors which should be reflected in the growth of the provisional product determined by the ECLA."

[Question] In the final analysis, what is the official estimate for the growth of the gross national product?

[Answer] It is not yet possible to give a final estimate on the growth of the economy. The government is confident of an increase which, although moderate, is to be the beginning of a solid recovery process.

[Question] But the finance minister has estimated that the growth will be above 1.5 percent....

[Answer] I am fully confident that the estimate given by the finance minister will be confirmed by the official reports.

Growth was negative for the following Latin American countries: Costa Rica, 0.5 percent; Chile, 0.5 percent; El Salvador, 1.5 percent; Guatemala, 2.5 percent; Haiti, 0.5 percent; Honduras, 0.5 percent; Paraguay, 1.5 percent; Uruguay, 5.5 percent; Venezuela, 2 percent; Peru, 12 percent; Mexico, 4 percent; Ecuador, 3.5 percent; Brazil, 5 percent; and Bolivia, 6 percent.

#### Foreign Debt

The closing figures for the 1983 foreign debt, expressed in U.S. dollars, are listed by country: Bolivia, \$2.7 billion; Ecuador, \$6.2 billion; Mexico, \$85 billion; Peru, \$10.6 billion; Venezuela, \$30 billion; Argentina, \$42 billion; Brazil, \$83 billion; Colombia, \$10.3 billion; Costa Rica, \$3.05 billion; Chile, \$17.6 billion; El Salvador, \$1.2 billion; Guatemala, \$1 billion; Haiti, \$800 million; Honduras, \$1.5 billion; Nicaragua, \$3.4 billion; Paraguay, \$1.3 billion; the Dominican Republic, \$2 billion; and Uruguay, \$4.25 billion.

Debt servicing, that is the interest rates, had the following percentages for 1983, above the exports of each nation: Bolivia, 35 percent; Ecuador, 25.5; Mexico, 38; Peru, 31; Venezuela, 19; Argentina, 51; Brazil, 43; Colombia, 21; Costa Rica, 43.5; El Salvador, 10; Guatemala, 7.5; Haiti, 3.5; Honduras, 16; Nicaragua, 36; Paraguay, 15; the Dominican Republic, 25; and Uruguay, 32 percent.

"The figures prove, once again, the moderation with which the Colombian Government, in its own particular situation, and in recent years, has proceeded to contract for foreign credit, and, moreover, prove the additional capacity for indebtedness which the country has for the immediate future," the minister of development commented.

He announced that "the new credits, which are scheduled to be contracted for on the basis of the authorization granted by the Congress last year, will serve to finance development programs which the country needs."

At the same time, they will perform an additional function; they will be used to "strengthen the position of the international reserves, which are fundamental elements of the economic recovery policy to which our government is committed."

## Inflation

The inflation picture, according to the ECLA, was as follows: Bolivia, 249 percent; Ecuador, 65; Mexico, 91; Peru, 124; Venezuela, 64; Argentina, 401; Brazil, 175; Colombia, 17; Costa Rica, 12.6; Chile, 23.7; El Salvador, 15.4; Paraguay, 14; the Dominican Republic, 2.8; and Uruguay, 62.7 percent. Figures for Guatemala, Haiti, Honduras, and Nicaragua are not available.

"The contrast, with respect to regional events, is outstanding: while the consumer price index rose from 47 percent in 1982 to 68 percent in 1983 and the weighted average, according to population, rose from 86 percent in 1982 to 136 percent in 1983, inflation decreased to 16.6 percent, a figure lower than the preliminary one estimated by the ECLA," Marin Bernal emphasized.

"These figures," he added "clearly speak of the success of the anti-inflationary policy which the government has carried out and through which inflation rates will continue to be lower than predicted."

## View of '83, Prospects for '84

[Question] Could you give us a brief assessment of the economic performance in 1983 and expectations for 1984.

[Answer] I would say that 1983 was a year of transition: a grave crisis altered the course of the economy, subtracting from it the impetus for growth and slowing down the fulfillment of the social objectives associated with development.

The government has responded to the emergency with a suitable policy, and the first results are already beginning to be noticed. The government has met the commitment to drastically reduce inflation, thereby providing a solid foundation for programs aimed at reviving the productive apparatus in the search for more positive development goals.

In the last 3 months of the year there were indicators which show a considerable change in the tendency from a decline to a steady climb. If this tendency continues, as is expected, and if the recovery goes forward in the other sectors of the economy, we will be able to say that the crisis caused by the recession is behind us and that the country is heading, over the medium term, toward new levels of growth and well-being.

CSO: 3348/282

## ECONOMISTS DISCUSS NEGATIVE ASPECTS OF NEW ECONOMIC MEASURES

Buenos Aires LA VOZ in Spanish 2 Jan 84 p 7

[Text] The first repercussions of the official announcements on the subject of rates, prices and wages heard from economists and businessmen of various persuasions coincided in demanding "in-depth measures" from the government and maintained that the announcements "respond to a temporary phase."

Justicialista economist Marcos Bergenfeld, Communist Jaime Fuchs, Developmentist Osvaldo Trocca and Industrialist Manuel Orteirino, as well as the former sub-secretary of Economy, Miguel Iribarne demanded an "in depth" economic plan aimed at achieving the reactivation of the productive machinery.

For its part, the Pampas Federalist Movement (MOFEPA) declared in a public document that the measures announced represent "a somber horizon for the inhabitant."

Bergenfel recalled that "there are loyalties which were unfortunate for the country, such as that of Videla to Martinez de Hoz; Viola to Sigaut and Bignone to Wehbe," and he expressed his hope that "Alfonsin does not tie himself to Grinspun and will take a different tack which at the right moment will allow him to make the proper changes."

Further on he reiterated that "the president should not commit the error of 16 December again, when he came out to announce an economic plan which does not exist because his collaborators had not prepared it prior to his inauguration date as should have been done."

He maintained that businessmen are in a "bind" caused by price controls, high rates of interest, increase in taxes, lack of credit, indexing, rise in prices of energy and fuel and an "increasingly restricted" market for placing their products.

He asserted that under present conditions inflation could be controlled for a short time but at the end of some months there would be a sudden inflationary explosion "result of the imposition of the inevitable laws which rule the economy."

For his part, economist Jaime Fuchs, member of the Communist Party Central Committee, said that the lowering of interest rates" is a good sign that there is concern in certain government sectors, who have exerted pressure in that respect beyond the differences and inconsistencies observed in the economic team."

He warned, however, that "a certain tendency is seen for remaining within the monetarist plans," which are contrary "to the announcements made by Raul Alfonsin that real wages will be increased and the economy reactivated."

Fuchs demanded the elimination of the Monetary Regulatory Account "by means of which the Central Bank of the Argentina Republic is subsidizing the entire financial system."

He explained that the Monetary Regulatory Account represents "around half of the budget deficit, since it takes up between 6 and 7 percent of the domestic gross product."

#### Irteurubi

For businessman Manuel Orteirino, leader of a large sector of retail trade, "the announcements are very disillusioning, although they did nothing more than confirm the stories the dailies carried in recent days."

The economic team, in his opinion, "remains hooked on monetarist schemes and now it is endeavoring to tie the rate of interest to inflation."

He says: "Fortunately, Alfonsin himself urged that interest rates be lowered, because according to the line of the Central Bank of the Argentine Republic, we would have remained loyal to the plan of Jorge Webbe, although to tell the truth, it is not noted that it has changed much."

He maintained there is a need to "make an all-out attack on the knot of the question, that is, the financial sector, which benefitted during these years and which now should bear the main burden of the crisis, not the workers or the small and medium businessmen."

#### Alemany

For former Secretary of Finance Juan Alemany "the attempt to bring down the rate of interest is praiseworthy, however, the measures announced are a type of program for the moment but they do not make up an economic policy."

He indicated that "any government would have had to do the same because the measures announced, which are the same published by the dailies, except with respect to wages, where the increases are somewhat smaller than those expected, point to something necessary such as the lowering of the rate of inflation."

However, he said that it will not be possible by resorting to price controls "because controls may serve as a curb in a very special moment of runaway inflation but not for a long-term policy, because the cause for inflation is state spending and if this is not reduced, inflation will not come down."

He said that the budget deficit of 15 percent of the Domestic Gross Product that now exists "is similar to the one which existed in 1976 when we took charge of the government," for which reason he justified as temporary these first measures taken by the Radical government in its first 20 days in office "because it was necessary to curb the insane rate of inflation which had been unleashed during the last months of Wehbe's tenure."

#### Premature

With respect to future prospects, he believed it premature to hazard opinions "until the in-depth policy becomes known," despite which he said that he did not believe in the application of the special measures for reactivating the economy since it becomes reactivated only if inflation is lowered and the external situation is resolved."

For the latter, he believed it necessary to resolve the deficit in materials in industry, which depends on imports, through agreements with the international financial system which permit the necessary flexibility for the opening of lines of credit.

#### Iribarne

Miguel Iribarne, former subsecretary of economy, said that "they have not managed to break the vicious circle and have unfortunately wasted a great opportunity."

He added: "My impression is that they are no longer going to be able to find the way and it will have to be Alfonsin who must reestablish the road because, otherwise, from now to a couple of months from now we are going to encounter serious problems."

The well-known economist emphasized that "it is not a matter of continuing to go in circles on the same paths even if points are climbed and descended in one or another variant. We must put a policy of reactivation into action and up to now, according to the announcements made, that is not what is being proposed."

In his opinion, monetarist orthodoxy has triumphed in the Central Bank once more, and economic leadership has not been able to break the links between certain variables of inflation--other than controls applied without much thought--and if there is no reactivation, within a few months inflation will once more be at 20 percent per month."

#### Trocca

Finally, developmentist economist Osvaldo Trocca said: "Two basic observations must be made: the first is that successive measures are produced in time without being part of an overall plan whose existence is unknown, and the second is that work is going on within the inherited policy plan."

He added: "For example, the rate of interest was brought down to a level which was lower than the present at some period during the previous economic term, without that procedure allowing either reactivation or the reduction of inflation."

Further on he maintained: "Another example is that of wages, which since the middle of the year ending were increased for several months at the same rate as is being done now without being able to recover the buying power of the workers."

Trocca concluded, saying: "The same can be said about the rate of exchange, which has been becoming worse in the last 4 months, while our situation of foreign payments has not changed."

#### MOFEPA

For its part, MOFEPA, referring to the economic measures revealed on a national scope, said that they will result in "a somber horizon for the inhabitant."

MOFEPA provincial headquarters revealed a document on the plan sent by the National Executive Branch to the Congress of the Nation on tax reform.

It says: "Inflation and wages, one because it is high and the other because they are low, are the main fighting fronts announced by the government."

The Federalists state: "The attack on inflation has begun with price controls and reduction of the fiscal deficit by means of increases in taxes and a watch on tax evasion. Simultaneously, in the wage area, it has been promised that the increases in pay will be greater than that of prices."

After pointing out that "while it is too soon to give a definitive opinion," they add that "we must recognize that the effects and not the causes are being attacked."

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CSO: 3348/252

**BUSINESS CONSORTIUM SEEKS FINANCIAL AID TO REACTIVATE SASETRU**

Buenos Aires LA VOZ in Spanish 12 Jan 84 p 10

[Text] The cooperative movement will take charge of some of the inactive plants of the SASETRU [expansion unknown] industrial complex, to reactivate them, acting in turn as financial agent to obtain the money, given the virtual lack of funds of the aforementioned business group.

The proposal was suggested by the new SASETRU board of directors headed by businessman Hector Gronchi and economist Raul Cuello to the president of the Agrarian Federation, Humberto Volando. The conversation dealt with the possible management of all the oil for export plants, particularly SOYEX [expansion unknown], which has not yet been inaugurated because it was nearing completion of its construction when the group was intervened in 1980.

SASETRU had managed to corner 50 percent of sales to the domestic market in oils, at the same time exporting more than \$550 million in products per year. Between 1978 and 1980 it also obtained a large share in the foreign trade of grains, replacing the multinational firms which at that time had a practical monopoly in that activity.

This advance of the local SASETRU group headed by businessman Juan Seitun, originally associated with the former minister of the Onganía Government, Nestor Salimei, is what apparently "bothered" the multinationals and caused the then minister, Jose Alfredo Martinez de Hoz to cause the annihilation of its companies.

The decision to intervene SASETRU in 1980 halted the activities of 17 agro-industrial establishments making up the complex, in addition to the fishing boats and processing plant, port and storage installations.

The main competitor of SASETRU while it was in business was the Bunge and Born Group through the plants of the Molinos Rio de la Plata firm in the food line, and Bunge and Born S.A., cereal exporter.

On two occasions the courts handling the "process" rejected the agreement reached between SASETRU and 98 percent of its creditors, including the Central Bank, thus extended the paralyzation of the industrial complex up to now, and the matter still has not been legally resolved.

The Supreme Court conditioned its approval of the agreement to the creation of a new board of directors made up of well known professionals who are not stockholders, with no ties to the previous board headed by Seitun.

The new board of directors of SASETRU, through agreements with other productive sectors, seeks partners so as to be able to place the 17 plants of the group in operation, since it has no capital of its own to do it by itself.

In this respect, talks with the Agrarian Federation are supposedly well under way which would make it possible to put the three oil plants already existing into operation at once, while the fourth SOYEX could go into production in a period of 10 months. In the latter case, in circles close to SASETRU it was said that the International Financing Corporation was supposed to have made a \$7 million loan available to the company which would allow completion of piling work for the plant (\$3 million) and conclusion of the construction of a port (\$4 million more). The placing in operation of the entire complex would mean the creation of 10,000 jobs. The 17 companies of the group cover the oil, flour, pasta, wine, fishing, meatpacking, poultry and canning sectors.

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CSO: 3348/252

**PLANNED EXPANSION OF SILOS INSUFFICIENT, CONTEND FARMERS**

Buenos Aires LA VOZ in Spanish 13 Jan 84 p 12

[Text] Construction and expansion of storage installations that will be possible to undertake with the World Bank loan will only cover a small part of the shortages the country suffers in this respect, according to comment in agricultural-livestock circles.

Secretary of Agriculture and Livestock Raising Lucio Reca announced Wednesday that the Bank of the Nation will place a \$23 million foreign loan at the disposal of the producers for the construction and expansion of grain storage installations, which would mean the possibility of expanding the storage capacity existing in the country by 1 million tons.

Elsewhere, the National Grain Board [JNG] will have \$13 million of the same World Bank loan available to it for building 22 silos in the northwest and northeast of Argentina for storing the crops of that region.

**Support for the JNG**

According to Reca, these new installations will serve as a support for the business policy practiced by the board, "which intervenes where there is a need to provide security to growers by means of a remunerative price." However, the official avoided any reference as to what criterion the board will use throughout the country in fulfilling that role.

The president of the JNG, Alberto Ferrari, said that the grain-purchasing capability of the body is not limited to its own installations, since it also purchases grain through company agents. "The storage firms and cooperatives with their own installations play this role very well in some zones."

However, agricultural-livestock leaders insist that these new loans are not going to effect a substantial change in the situation presenting itself in the last harvests when grain had to be stored in the open in various parts of the country because of a shortage of storage space.

Reca appeared to want to ignore the existence of the problem, saying that "with the new installations to be built we shall be keeping up with the process of production."

The World Bank loan had been agreed upon in principle in 1978. As of that time Argentina has had to pay interest on the commitment because it did not make use of it, which means, as is obvious, that it is an absolutely useless payment.

Elsewhere, this condition, added to others not specified, forced Argentina to give up \$18 million of the amount of the loan which was initially stipulated to be \$105 million.

The \$87 million now available to Argentina will be destined for the construction of silos for the board in the north (\$13 million), loans to the private sector for storage installations (\$23 million), rehabilitation of freight cars of Argentine Railways (\$36 million) and improvements to port installations in Rosario (the remainder).

Despite being asked, the secretary of agriculture did not say under which conditions the loan was granted, neither its cost nor how it is to be repayed. He only explained that the loan is "a medium term" loan and that the payment conditions are "the usual for these cases."

#### Record Exports

Argentine grain, oils and byproduct exports totalled a record 28,106,000 tons in 1982, according to preliminary estimates of the Secretariat of Agriculture and Livestock Raising.

The value of those exports was \$4,438,000,000 in the period, figure which represented 58 percent of total Argentine exports that year. That percentage of exports reflects the drop in manufactured exports in 1983 by comparison with raw materials, since between 1979 and 1982 sales abroad of grains, oils and byproducts only represented 40 percent on the average.

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CSO: 3348/252

**NEWLY FORMED INDUSTRIAL CREDIT FUND OUTLINES FUTURE PLANS****Scope of Operations**

Bridgetown THE NATION in English 17 Jan 84 p 1

[Text]

**THE recently established Industrial Credit Fund (ICF) will stimulate local economic development, create new employment opportunities and generate foreign exchange.**

Governor of the Central Bank, Dr. Courtney Blackman, said this yesterday while addressing an ICF project appraisal seminar at the Government Conference Centre, Wildey.

Pointing out that the \$25 million fund was to contribute, within the policies of the Government, to the industrial development of the country, Dr. Blackman said:

"The ICF will provide credit, through the commercial banks and the BDB, to productive private sector enterprises so as to stimulate economic development, create new employment opportunities and generate foreign exchange."

On the question of loans from the ICF, he said these had a maximum maturity of 15 years, with three years grace on capital repayment where the funds were used for buildings and equipment.

Where the funds were used for working capital, the maximum maturity was five years with two years grace on capital repayment, Dr. Blackman said.

He said that the ICF catered to small, medium and large businesses. There was no lower limit on ICF lending. The maximum size of loan was entirely up to the discretion of the financial intermediary; and there was an upper limit of \$3 million to any one enterprise.

Dr. Blackman said that where loans were for \$300 000 or less, reimbursement would be automatic provided the projects fell within the sectors supported by the ICF.

He said this, in effect, meant that once the bank was satisfied with the financial viability of the project, no further analysis would be required to obtain ICF support.

Where loans were over \$300 000 and up to \$500 000, Dr. Blackman said the Central Bank would need to be satisfied that the project was financially, technically and economically viable before approving ICF support.

That, he explained, would not require a full-scale project analysis report.

The Central Bank Governor said that loans over \$500 000 would have to be approved by the World Bank and such applications would have to be supported by a more rigorous project analysis report, including calculations of the economic rate of return and the internal financial rate of return.

## Benefits for Businessmen

Bridgetown THE NATION in English 17 Jan 84 p 1

[Text] LOCAL businessmen are expected to benefit substantially from the recently introduced Industrial Credit Fund (ICF), a special \$25 million facility administered by the Central Bank.

Speaking at the opening of the Central Bank and Project Administration Training Unit of the Caribbean Development Bank's (CDB) project appraisal seminar at the Government Conference Centre yesterday, vice-president of the CDB, Mr.

Neville Nicholls outlined the benefits.

He said, too that in addition to the benefits to local businessmen, it would give an additional fillip to the productive capacity of industry.

"There is every reason to believe", Mr. Nicholls said, "that this seminar will assist in enhancing the skills of the participants in preparing and appraising projects which will be acceptable for financing under conditions of the Fund."

He continued: "The operation of this Fund may be regarded as complementary to the ongoing CDB programme in Barbados. Some of the entrepreneurs who will benefit under the new financing package may well wish to secure accommodation for their expanded and new enterprises in the factory shells being constructed with CDB loans, through the Industrial Development Corporation (IDC)."

CSO: 3298/464

## INCREASE IN EXPORTS REPORTED BY STATE CORPORATION

FL262255 Bridgetown CANA in English 2024 GMT 26 Jan 84

[Report by Irvine Reid]

[Text] Bridgetown, Barbados, 26 Jan (CANA)--Barbados has recorded an increase in exports of just over 100 million dollars (one Bds dollar; 50 cents U.S.) and imports of almost 50 million dollars for the first nine months of 1983 against sales and purchases for January-September 1982.

Figures released by the state-run Export Promotion Corporation (EPC) show that for the first nine months of last year Barbados exported 490.7 million dollars in goods, compared with 388.9 million dollars in 1982--an increase of 101.8 million dollars.

In 1982 Barbados imported 870.5 million dollars worth of goods, compared with 822.4 million dollars in 1982--an increase of 48.1 million dollars.

The EPC report showed that for the same period last year, exports to the Caribbean Community (CARICOM) increased by 7.7 million dollars to 105.2 million dollars from 97.5 million dollars in 1982.

However, imports from the community declined by almost 10 million dollars, to 102.3 million dollars from 112.1 million in 1982.

Barbados' main exports are sugar, rum, electronic components, plaster ware, paper products, molasses, and furniture. Imports include foodstuff, chemicals, oil, vehicles, and machinery.

The EPC report showed that for the period under review Barbados' exports to non-CARICOM trading partners increased by 95 million dollars to 385.4 million dollars from 291.3 million dollars.

Imports increased by 57.8 million dollars from 710.3 million.

Exports to Trinidad and Tobago, Barbados' main trading partner in CARICOM, totalled 63.3 million dollars last year, compared with 58.9 million dollars in 1982.

Imports from Trinidad and Tobago up to September last year were put at 74.8 million dollars, against 79.4 million dollars in the first nine months of 1982.

Exports to Jamaica up to September last year moved from 13.5 million dollars in 1982 to 16 million dollars last year. Imports for last year stood at 16 million dollars, compared with 18.6 million dollars in 1982.

Exports to Guyana during the first nine months of last year were put at 2.1 million dollars, up on the 1.3 million dollars of 1982 and the value of imports from that South American country stood at 3.7 million dollars last year, compared with 4.8 million dollars in 1982.

Barbados' exports to the United Kingdom during the first nine months of last year declined by 17.4 million dollars to 28.8 million dollars from 46.2 million.

Imports from the U.K. up to September last year increased by 5.2 million dollars, to 83.7 million dollars from 78.5 million.

Exports to Canada climbed from 7.2 million dollars to 8.5 million dollars from 50.4 million.

Barbados' exports to the United States increased by 23.8 million to 136 million, from 112.2 million.

Imports from the United States up to September last year increased by 75.6 million dollars to 397.5 million dollars from 321.9 million.

Barbados' imports from Japan up to September last year were up by 13.9 million dollars--to 41.1 million from 27.2 million.

The value of exports to Puerto Rico, mainly electronic components, climbed by 96 million to 121.4 million dollars from 25.4 million.

Venezuela's exports to Barbados, mainly oil, declined by 19.1 million dollars, to 24.8 million from 43.9 million.

CSO: 3298/1120

## BANK SAYS LOAN RECORD REFLECTS ECONOMY

FL160311 Bridgetown CANA in English 2240 GMT 15 Feb 84

[Text] Bridgetown, Barbados, 15 Feb (CANA)--The state-run Barbados Development Bank (BDB) says loan commitments and disbursements in the 1982-83 fiscal year were the second highest on record.

In its latest report to be presented at tomorrow's annual general meeting, the bank which provides development assistance for mainly small businesses here, said that "the peak year for both areas was 1981-82 when commitments of 19.6 million dollars (one BDS dollar; 50 cents U.S.) and disbursements of 20.6 million dollars were made.

"The comparative figures for 1982-83 are 17.5 million dollars and 15.7 million dollars representing percentage decreases of 10.7 and 23.7 per cent respectively," the bank said.

The bank said that the performances reflect the global recession. However, there were significant increases in investment in industry, largely at the expense of the tourism sector. This change in emphasis is in line with government's development plan and the banks projections.

The bank report said that lending to the ancillary sub-sector continued to dominate the tourism sector and was consistent with the bank's policy of switching from tourism-related projects which can deepen the contribution of the sector particularly, at a time when tourist arrivals were lagging.

Of the 44 loans committed in the tourist sector, 36 were for ancillary projects, the bank report said.

The annual report said the return of the fisheries portfolio in January 1983, boosted the portfolio by 2.6 million dollars and for the three months period, commitments of 0.4 million dollars were made and 0.2 million dollars disbursed.

It said that 578 job opportunities were created from the loan commitment made during the year, a decline of 23 or 3.8 per cent from the 1981 82 figure.

"The major contributors were industry with 313 and small business with 173 opportunities," the bank report said.

The report said that the bank's cumulative commitments reached 99.4 million dollars at the end of the fiscal year.

Loans committed to tourist industry totalled 1.7 million dollars, a decline of 4.4 million dollars or 72.1 per cent below the previous year's figure of 6.1 million dollars, a fall of 6.6 million dollars over 1981-82. The number of job opportunities generated was 29, of which 15 were in the ancillary sub-sector and 14 in the apartment/hotel category.

The bank said that for the fourth successive year commitments to industry exceeded five million dollars and the number of loans committed moved from 31 to 37, an increase of six or 19.4 per cent.

Individual loan amounts are also increasing to match the growth in the size of the projects financed.

Demand from both small business and small manufacturing sectors decreased during this period, when 124 loans were approved for the two sectors, representing a decline of 72 loans or 36.7 per cent from the previous year.

Commitments reached 4.5 million dollars, a decline of 1.3 million dollars or 22.4 per cent from the previous figure of 5.8 million dollars.

The report said that during the fiscal year 1982-83 the bank made loan disbursements of 15.6 million dollars compared with 20.5 million dollars for the previous year.

The largest portion 8.9 million dollars, or 57.1 per cent was injected into the industrial sector, while the remainder was divided between tourism (3.7 million dollars), small business (2.4 million dollars), small manufacturing (273,799 dollars), and fisheries (245,089 dollars).

"The world recession moves wearily to an end. Its presence has dampened the investment climate and adversely affected demand for financing from the bank.

"Recently though, the enactment of the Caribbean Basin Initiative (CBI) legislation provides new hope for the manufacturing industry in Barbados and, to a lesser extent, business in the tourist sector," the bank said.

CSO: 3298/1120

**INDUSTRIAL DEVELOPMENT GROUP UNVEILS 5-YEAR GROWTH PLAN**

Bridgetown BARBADOS ADVOCATE in English 20 Jan 84 p 1

[Article by Jewel Brathwaite]

[Text] The creation of 6 500 new jobs, and a three per cent per annum growth in real output in the manufacturing sector are among targets being aimed at in the new five-year development plan of the Industrial Development Corporation (IDC).

A team of IDC officials headed by Chairman Fred Gollop released the plan at a news conference yesterday at the IDC headquarters.

The plan covers the five fiscal years of 1983-84 to 1987-88 and four main areas of industrial development: electronics; medical supplies; data processing; and apparel will be promoted.

In the area of job creation the corporation is aiming for 900 jobs in the 1983-84 fiscal year, 1 320 in 1984-85, 1 500 in 1985-86, and 1 500 each in 1986-87, and 1987-88.

Mr. Gollop said the plan will also be aimed at stimulating real growth in manufactured exports (excluding sugar and molasses) by 15 1/2 per cent per annum.

The targets have been set with reference to the following assumptions:

Increased productivity and more effective utilisation of existing capacity; expansion of investment in existing production facilities; new investment in the nontraditional areas identified earlier, particularly higher-skill activities; diversification of manufacturing activity with emphasis on export-oriented industries; and increased attention to skill development and management training.

According to Mr. Gollop: "The plan's basic aim is to improve the quality of life in Barbados, with the recognition that industrial development has the potential for playing a critical role in achieving this."

"In order to maintain a continued rise in living standards, the 1983-84 Development Plan proposes a strategic shift from labour intensive to skill intensive industries which can support higher industrial incomes.

"This contrasts with the approach of the past and therefore recognises the importance of developing our human resources, and the need to compete for the kinds of operations which can afford higher wage levels."

Mr. Gollop said the corporation will also be promoting joint ventures between local and foreign investors, and developing sub-contracting as a method of generating some local participation in the four high-growth areas.

"Some of our specific initiatives include the promotion of multi-shift operations, and the establishment and implementation of an action programme for the promotion of Barbados as an International Business Centre," he declared.

He said also that in respect of the multi-shift operations, the IDC will accede to requests for additional space for existing clients only when it was satisfied that current space was being optimally utilised.

"It cannot afford the luxury of factories remaining idle for two-thirds of every day in an economy where capital is scarce and expensive," he added.

CSO: 3298/465

## ISRAEL OFFERS TO INCREASE AGRICULTURAL AID

FL062336 Bridgetown CANA in English 2258 GMT 6 Feb 84

[Text] Bridgetown, Barbados, 6 Feb (CANA)--Israel today offered Barbados more technical assistance and training in non-sugar agriculture under a continuing programme of cooperation between the two countries to advance diversification of agriculture here, a government statement said.

In a meeting with Dr Richard Cheltenham, the minister of agriculture, director of Caribbean and Latin American Affairs in the Israeli Foreign Ministry, Janam Olamy, said Israel planned to expand assistance to the region and Barbados could benefit from intensive courses in Tel Aviv or training in Bridgetown that would be conducted by Israelis.

Olamy said his country was willing to share its "very vital experience in cooperatives, agricultural marketing and community development" with Barbados.

Dr Cheltenham responded that Barbados was struggling with cooperatives whose only "good side" is presently the credit union, the statement said.

In a reference to an Israeli team of experts currently working here to improve fields of onions, peanuts and vegetables, Cheltenham spoke of "the new era of cooperation" between Israel and Barbados.

The minister said he believed that outside of sugar, there was scarcely any area of Barbadian agriculture that the Israelis could not help Barbados with. He said Barbados is particularly interested in helping in fruit agronomy and short intensive courses in orchard development.

CSO: 3298/1120

## AGRICULTURE MINISTER VIEWS DEVELOPMENT EFFORTS

FL172330 Bridgetown CANA in English 2212 GMT 17 Feb 84

[Text] Bridgetown, Barbados, 17 Feb (CANA)--Agriculture Minister Dr Richard Cheltenham, describing the past 15 years as "the most eventful and successful era of national development" for Barbados, says the emphasis of national development efforts in the 1980's must be consolidation of these gains, and should include a vigorous assault on remaining pockets of poverty.

"We in Barbados have come to an important point in our development at which we must search creatively for new directions for the future," he told the annual general meeting of the state-owned Barbados Development Bank (BDB) yesterday.

Cheltenham said the strategy for the 80's must include a shifting of the thrust of industrialisation and marketing efforts from the region to further afield, laying the base for "a technologically dynamic society," and launching a "vigorous assault" on the "few" remaining pockets of poverty on the island.

"To fully appreciate the development challenge of the eighties, we would do well to ponder on the meaning and lessons of our recent difficulties," the agriculture minister said.

"The first is that when a country moves from a relatively low base of social and economic development, it will usually record impressive achievements in the initial stages."

"The real test is to consolidate and sustain such achievement over the long haul."

Cheltenham called for efforts to maximise benefits from the vital sugar and tourism sectors, saying failure to place equal emphasis on both would be "only at our peril."

He said that whereas emphasis in the past concentrated on the creation of new enterprises, the maturing of the national economy required attention to be shifted to new mechanisms that would sustain their capacity to carry on.

Speaking on the need for Barbados to develop as a "technologically dynamic society," Cheltenham said: "We have entered the 1980's in the midst of a new computer age. We cannot operate in splendid isolation from this development."

The agriculture minister said the BDB was instrumental in Barbados' development over the past 15 years by getting new businesses off the ground, but present requirement are that it assist them in carrying on.

"...This problem is most acute in the tourism, sugar and manufacturing sectors which are now poised to recover from a three-year downturn," he said.

Justly, Cheltenham said the BDB can assist by providing these sectors with access to financing at terms that will allow them to regain viability.

"The second is to arrange repayment schedules on existing loans in such a measure then enterprises which could be viable do not collapse their debt burden," he said.

"The third is to pioneer co-financing arrangements with the commercial banks to ensure that the productive sectors acquire the proper mix of working and long-term capital to meet their operational and expansion needs."

CSO: 3298/1120

## SUGAR SETTLEMENT ACHIEVED; ASSISTANCE TO FARMERS WEIGHED

## Wage Hike for Workers

Bridgetown BARBADOS ADVOCATE in English 12 Jan 84 p 1

[Article by Jewel Brathwaite]

[Text] Sugar workers in Barbados are to receive a 12½ per cent increase on their weekly wages following agreement yesterday between the Barbados Workers' Union (BWU) and the Barbados Sugar Industry Limited.

The settlement after four meetings between the two parties paves the way for a start to the 1984 crop next week. There are some matters still to be finalised and both sides agreed that this could be done tomorrow when they meet again.

The new two year wages contract is costing the industry "somewhere in the vicinity of some \$5.6 million a year", Errie Deane, Mr. Deane said: "We find our-

general manager of the Barbados Sugar Industry Limited has said.

The agreement takes effect from January 1 this year and expires on December 31, 1985.

Mr. Deane said there will be a "warming up and trial period" before grinding starts next week. Foursquare will be the first factory to begin receiving canes while the other five will be phased in.

"Everybody seemed to be well advanced with their preparations and barring no mechanical problems grinding will start next week," he stated.

He stated the negotiations were conducted in a spirit of cooperation and understanding, there was no acrimony, and each side took into full consideration the difficulties that confronted not only themselves but the other side.

selves in a difficult position to pay the amount of money that we are required to pay, but we also appreciate that the worker has to live and after these discussions we have come out with a settlement for 12½ per cent.

"There are one or two minor matters still to be finalised but they do not appear to be in any way major and we hope to see them taken care of sometime this week".

Mr. Deane did not specify what these matters were but the union in addition to its financial demands had been insisting that workers be paid no later than 4 p.m. on Thursdays, a special rate for workers using a jackhammer, and the first-aid facilities.

The crop is targeted to yield just under 100 000 tonnes of sugar.

## Union's Evaluation

Bridgetown BARBADOS ADVOCATE in English 12 Jan 84 p 1

[Text] The Barbados Workers Union (BWU) has lauded Mr. Errie Deane head of the Barbados Sugar Industry Limited, for his approach taken in the just concluded wages negotiations on behalf of sugar workers.

The new two year wages contract costing \$11.2 million was agreed on yesterday with workers getting a 12 1/2 per cent increase.

The delegations from the industry was led by Mr. Deane who took over as head of the industry last year when the Barbados Sugar Producers Association and

Sugar Factories Limited were merged. The negotiations which lasted four days were the first for Mr. Deane.

According to Mr. Walcott: "I would like to pay tribute to the sugar producers and the leader of the sugar producers Mr. Errie Deane in the manner in which he led his delegation, diplomatic and took a realistic position to the stand of the union, and both sides appreciated the problems".

Mr. Walcott said the negotiations took place against a background of restraint on both sides, and stated that the talks were of the highest order.

He emphasised that the reason why the negotiations were not as long as previous ones was the fact that there was understanding on both sides.

"The union could not expect to gain the amount of increases that would normally be expected in the circumstances to buttress the workers' position but we face the position quite boldly and realistically and we have reached an agreement we consider satisfactory in these circumstances," Mr. Walcott said.

"So the agreement we have reached...for the two years is an agreement in the circumstances that is reasonable and we are satisfied that it would be able to put the reaping of the crop on to a good start and avoid any problems that the media or any section had been anticipating."

#### Effect of Drought

Bridgetown BARBADOS ADVOCATE in English 21 Jan 84 p 1

[Text] Barbados' 1984 sugar crop scheduled to start on Monday has been dealt a severe blow even before the first cane has been reaped.

The drought the country had been experiencing late last year has cut some 15 000 to 20 000 tonnes off the expected level of sugar production which originally had been estimated at 115 000 tonnes.

Production is down to just under 100 000 but Central Bank Governor Dr. Courtney Blackman said yesterday that despite this expected reduced output this year will still be higher than in 1983.

The drought ended last week and two straight days of heavy rainfall postponed the scheduled start of January 16 until next Monday.

Yesterday a spokesman from the Barbados Sugar Industry Limited confirmed that barring any rainfall, reaping will begin on Monday with two factories Foursquare and Haymans, accepting canes.

The spokesman said Bulkeley was unlikely to begin accepting canes before January 30. Portvale is also expected to start in another two weeks time while the other factories will be phased in between the start of the crop on Monday and the end of the month. [as published]

## Aid for Small Farmers

Bridgetown BARBADOS ADVOCATE in English 25 Jan 84 p 1

[Text]

The Barbados Sugar Industry Limited and the Barbados National Bank (BNB) have worked out an arrangement under which this country's 6 000 small cane farmers can benefit from assistance to finance cultivation and the purchase of fertilisers.

Yesterday small holders' liaison officer Trevor Rudder spoke about the service as well as the expansion of the loading scheme offered to the farmers since 1982.

Mr. Rudder said that farmers wishing to obtain assistance can approach liaison officers stationed at the six factories, who in turn will provide the farmers with application forms. The forms when

filled out are submitted to the bank which will then get in touch with farmers seeking the assistance.

The BNB is offering to the farmers loans of up to \$2 000 unsecured. Amounts above the \$2 000 must be backed by security.

Since 1982 the Sugar Industry Limited has been moving to assist the farmers whose plots ranged in sizes from under 10 hectares (or 25 acres). Last year they accounted for 10 per cent of the canes delivered to the factories, a drop from the 15 per cent in previous years.

A loading scheme introduced two years ago in St. John and in St. Philip will this year be expanded to include St. Lucy. The industry also supplies a cultivation service.

Mr. Rudder said it was the in-

dustry's hope that the Soil Conservation Department will, as it had been doing in previous years, carry out the cultivation services to those farmers whose lands were on the steeper slopes in the Scotland District.

The Sugar Industry official stated that lack of cultivation on these slopes continued to be a problem for farmers in the Scotland areas. He also appealed to the farmers to schedule the delivery of their canes with the officers at the factories.

He promised that should they do this and still have problems with freighting his department would endeavour to locate the freighter who had been engaged, or try to find another who will be willing to transport the canes.

## Significance of Aid

Bridgetown BARBADOS ADVOCATE in English 26 Jan 84 p 4

[Editorial]

[Text] With the 1984 sugar crop just under way, it is commendable that the main operators in the industry are looking ahead to ensure that small cane farmers have help in the future.

Barbados Sugar Industry Limited and the Barbados National Bank have set up an arrangement to enable the island's 6 000 small cane farmers to benefit from assistance to finance cultivation of their fields and to buy fertiliser.

The Bank is offering farmers loans of up to \$2 000 unsecured but amounts above \$2 000 must be backed by security. Farmers who want to take advantage of the assistance should contact the liaison officers stationed at the six sugar factories operated by Barbados Sugar Industry Limited to get application forms. The forms should be filled out and submitted

to the bank which will then contact the farmers seeking assistance.

The arrangement was announced by the small farmers liaison officer, Mr. Trevor Rudder, a man with long experience in the sugar industry. He also announced that the loading scheme, introduced two years ago to help small farmers in St. John and St. Philip will this year be extended to embrace St. Lucy.

Small farmers who persist with sugar cane in Barbados have been suffering several severe problems. As a result many have been discouraged and have given up. Many have not just given up on canes, but have abandoned any type of agriculture. For a country with the limited land area of Barbados, and the agricultural orientation of the economy, this is a severe drain on production potential.

High costs of getting canes cut, loaded and transported to factories conveniently near their lots have been militating against the small farmers. There have been cases where canes have been cut and left for days in the fields waiting for transport. If the canes have not actually been spoiled by the long delay, then the drying out has reduced the sugar recovery rate.

Transport is also expensive, and many truckers who work steadily with plantations are reluctant or too busy to take on the peasants' few loads of canes which can often be in plots difficult to get to and with rugged and narrow tracks. Given these difficulties, one wonders why small farmers still persist in sugar cane. The answers are several. These include that once established, the crop needs little attention. Sugar cane is hardy and will survive where other crops will perish. The plant will also stay alive during the dry season and grow rapidly during the rainy weather.

Because of the difficulties hampering small farmers their production of canes has been diminishing. Last year, they contributed 10 per cent of the canes delivered to the sugar factories. That was a decline from 1982 when their contribution was 15 per cent.

The small cane farmers must be helped not only to survive but also to make a decent profit from their lands. Sugar cultivation has not been attracting young people because it is difficult and often unattractive. The industry has

been mechanised to a large degree, but mechanisation tends to be efficient in terms of scale. Hence the further difficulties of the small farmer.

The cultivation and loading schemes introduced by Barbados Sugar Industry Limited, which is itself a result of considerable reorganisation, are designed to help the small farmers survive. Now the financing scheme can assist in an area which is particularly difficult — but essential.

The process of acquiring this financial assistance to pay for cultivation and fertilisers sounds simple enough, but many small entrepreneurs have had considerable frustration when encountering the voluminous paper work which seems to infest every bureaucracy. The scheme must be kept as simple as possible and the financial assistance handled with despatch, because tilling and fertilising schedules are crucial to any farming operation — and that includes sugar.

Thousands of Barbadians in significant social or administrative positions today owe their survival and prosperity to the start given them by a small farming lot. This grassroots sector of the Barbadian society deserves all the help it can get. And the other large-scale organisations or entrepreneurs in other sectors should seek to give their help to other small-scale enterprises and businesses in Barbados.

## CHELTENHAM PICKED TO HEAD BLP, MAKES INITIAL ADDRESS

## Election Results

Bridgetown THE NATION in English 16 Jan 84 p 1

[Text]

MINISTER of Agriculture, Dr. Richard "Johnny" Cheltenham, has been elected unopposed as chairman of the ruling Barbados Labour Party (BLP).

Dr. Cheltenham, who succeeds Prime Minister, Mr. Tom Adams, was elected last Thursday night by the new National Executive Committee of the BLP.

The attorney-at-law, who is also MP for Christ Church East, is a leading authority on the recent constitutional history of Barbados. He wrote his doctoral thesis on the subject: *Constitutional and Political Development in Barbados 1946-1966*.

Dr. Cheltenham was educated at St. Patrick's Boys' School, Boys' Foundation School (as it then was) and the University of the West Indies (UWI), McGill University, and gained his doctorate from Manchester University.

While at UWI, he led a debating team to the United States in 1963. He was president of the West Indian Students Society at McGill University, and deputy manager of the Barbados-Guyana Pavilion Expo '67, in Montreal.

The National Executive Committee, which elected Dr. Cheltenham, was constituted on the first day of the BLP's Annual Conference Sunday last week.

It met under the chairmanship of the re-elected treasurer general, Senator John Williams, in the absence of Senator Clyde Griffith, the re-elected secretary general, who was out of the island.

Heading the new NEC with Dr. Cheltenham are: Mr. DeLisle Bradshaw, first vice-chairman; Mr. John Nicholls, second vice-chairman, and Senator Clarence Jemmott, third vice-chairman.

Dr. Waldo Waldron-Ramsay was re-elected public relations officer.

The three assistant secretaries are: Mr. George Griffith, Mr. Rattan Gopwani and Mr. Grantley Haynes.

The second session of the annual conference which was scheduled for yesterday, was postponed until next Sunday because of the sudden death of the Governor-General, Sir Deighton Ward.

## Profile of New Leader

Bridgetown THE WEEKEND NATION in English 20 Jan 84 p 8

[Text] IT was a great personal man of the Barbados triumph for Dr. Richard Labour Party (BLP) on "Johnny" Cheltenham, minister of agriculture, food and consumer fairs, when he was elected, unopposed, chair-

the BLP's national executive committee to such high party office, strongly indicates that there is a bright political future for him.

And what is more, it also shows that he has the

The unanimous election of Dr. Cheltenham, 41, by

support and confidence of the hierarchy as well as the rank and file of the BLP behind him.

Dr. Cheltenham first aspired to the chairmanship in 1979 when there was a contest between Lionel Craig, Louis Tull, and Vic Johnson. But Dr. Cheltenham, a good strategist with foresight, withdrew from the race then, because he might not have commanded enough support to win. Vic Johnson won the day.

Dr. Cheltenham threw his energy down to the grassroots level of the party, addressing several meetings of constituency branches and the youth arm of the party — the League of Young Socialists.

## NO CHALLENGE

Even before that, he had made it clear that he was not challenging Prime Minister Adams for the chairmanship of the party. He told a constituency branch meeting: "If you say I am challenging the Prime Minister, you are doing a great disservice to me, and this party.

"I am serving this party under the Prime Minister, and I am not going to challenge him."

What Dr. Cheltenham was probably signalling to all and sundry was that he was willing to serve the party, from the lowest to the highest level.

Party politics is an intriguing game. Sometimes it is interesting to observe the manoeuvrings and political wisdom of the times. But when all is said and done, it is the men who make the political offices they hold, come alive.

Dr. Cheltenham's hour has now arrived. One may now ask what has become of some of Prime Minister Adams' contemporaries like Henry Forde and Bernard "Bree" St. John. Their places are assured in the party. They will continue to make a significant contribution to the political life of this country.

The time has come for the BLP to put forward a new image with such young men as Dr. Cheltenham, Louis Tull, David Simmons, and Miss Billie Miller. No doubt, this group will emerge as time goes on.

Dr. Cheltenham's ability and talents, like those of most of the "young brigade" at ministerial level, have been recognised on the regional scene, and beyond.

## CHAIRMANSHIPS

Dr. Cheltenham is chairman of the board of governors of the Caribbean Research and Development Institute (CARDI), chairman of the board of directors of the Caribbean Food Corporation (CFC), and chairman of the Standing Council of Ministers of Agriculture.

In addition, he is the leader of the Barbados team negotiating the double taxation treaty with the United States. He was appointed by the Cabinet to co-ordinate the arrangements for the state funeral of the late Governor General, Sir Deighton Ward, last Saturday.

And in his personal capacity Dr. Cheltenham has been appointed by the Prime Minister as chairman of the Sugar Industry Research and Development Committee which is financed by 1.2 percent of the sugar factory proceeds from sugar. The committee was set up by the new Sugar Industry Act two years ago. Even if Dr. Cheltenham switches ministries, he is still likely to remain chairman of the committee.

He has already had experience in several ministries when he acted while the respective ministers were absent: Finance, Trade and Industry; Legal Affairs and Attorney General and Foreign Affairs.

In the few short years he became a cabinet minister, Dr. Cheltenham demonstrated exceptional political skill and capability. He now has to turn his talents to streamlining the party machinery and get it in top gear for the next general election.

It is expected that he will first start getting the coffers of the party in good shape for the expensive business that is an election campaign when it starts. The whole party structure and organisation also have to be in a state of readiness.

When all this is complete, he can return the levers of party control to Prime Minister Adams to head the campaign trail. And then Dr. Cheltenham would be able to say that he had made his mark.

For whatever package the BLP has for the next elections, must be put together much differently from in the past.

## Text of Speech to BLP

Bridgetown BARBADOS ADVOCATE in English 26 Jan 84 p 4

### [Text]

Newly appointed chairman of the ruling Barbados Labour Party, Dr. Richard Cheltenham, last Sunday delivered to the 45th annual general conference of the Barbados Labour Party, his first speech in this capacity.

In it, he told the gathering to be optimistic about the future although political and economic matters were "delicately poised" at the moment.

Here is the full text of Dr. Cheltenham's speech:

"May I thank you, Mr. General Secretary, for the kind and gracious manner in which you have introduced me, and may I thank you too, fellow

comrades and delegates, for the warm and encouraging way in which you have received me.

"You must also allow me to acknowledge and to thank you for the honour you have bestowed upon me in my election to the post of Chairman of this great party. I am both humbled and inspired by the unanimous manner of your decision; not least of all because my electoral contests to date have all been hard fought struggles. I am, as such, very pleased that in this matter, the issue was so amicably resolved. I should be even more pleased were the good people of Christ Church East to now become

"disposed to settle their electoral matters with the same ease and certainty you have shown.

"As I address you today, I am very conscious of the rich and proud legacy of which you have now made me a part. Without a doubt, the history and public accomplishments of this party represent one of the finest aspects of the political and institutional history of this nation in modern times. The great men who have led this party, and who have been able to fuse their commitment to the party and to the nation, have, in large part, put us in this stead.

The legacy they have created can best be summed up in the parting words of General Douglas MacArthur to the Cadet Corps at West Point — Duty, Honour, Country. Those of us who, however temporarily, assume positions of responsibility in this party, would do well to be guided by the spirit of that legacy. I can therefore only pledge that, with your help, I shall make the best endeavours to be faithful to the spirit and the legacy with which the leadership of the Barbados Labour Party has come to be identified.

My immediate and pleasant duty today is to set the stage for the presentation by one of those great men of whom I have just spoken; our leader, The Rt. Honourable J.M.G.M. Adams. I know you anxiously await his address, which I am sure will be delivered with his usual excellence. I ask only to use my Chairman's discretion to share with you some of my thoughts on the issues and imperatives of our times.

"Seldom have political and economic matters in this country been more delicately poised than they are today.

"The turn of economic events over the past three years has brought a new dimension to our image as managers of economic affairs in this land. We were rightfully known before as the architects of prosperity. Without a doubt, our more recent performance has proven our mettle to lead this nation through difficult and distressing economic times.

"The thirtieth Psalm tells us that "weeping may endure for a night; but joy cometh in the morning." I am persuaded that our weeping is at an end and that we have safely put our more difficult economic times behind us. We must now gear ourselves to usher in a bold, new era in the economic affairs of our nation.

"As party, and as a Government, we should be careful not to misinterpret the economic challenges that await us. That task is not only to generate renewed economic growth in the immediate future. It surely also requires us to prepare this country to make the advance into the twenty-first century as a strong and viable economy.

"We have already made some of the preliminary moves in this direction. Despite the recent recession, this party has created a social and economic infrastructure that will be of major productive use for many years to come. We have started the task of reshaping the sugar industry in line with modern requirements. We are slowly, but surely, surmounting the problems associated with maintaining a vibrant tourism industry in a highly competitive world.

"The search is on for creative solutions and bold, new directions in manufacturing. A similar long march is starting in the field of energy development; and the housing of our people. And we are also attending the task of creating the environment within

which Barbados can assume its rightful place as a major service centre in this region.

"Such initiatives will provide the framework for moving the country forward. We have to fill that framework with creativity, industry and enterprise. I therefore call on you, the leaders and members of this party, to mobilise in support of this large purpose of laying sound economic foundations for a twenty-first century Barbados.

"Similar major challenges await us in the political arena. You will be aware that recently our commitment to the preservation of democracy in this region was put to the ultimate test. We did not shirk from the task then. We will not shirk in the future.

"I am sure you share my conviction, that one of the better ways by which we can ensure the preservation of democracy is by working towards the electoral success of our party. Another way is to build strong institutions, capable of channelling the energy and creativity of our people in positive and productive directions. At this juncture, these two routes meet. We must seek electoral victory on the strength of our public accomplishments. And we must root those accomplishments in the workings of sound institutions.

"During the course of the day, you will no doubt give consideration to the organisational development of our party. In so doing, let us recall the warning of the American philosopher, George Santayana: "The workings of institutions is mainly the result of a vast mass of routine, petty malice, self-interest, carelessness and sheer mistake. Only a residual fraction is thought."

"I urge you to make thought and imagination the norm rather than the residue in planning the further institutional development of our party. Indeed, there are many levels at which bold, new thinking is now required of us.

"No party or institution can come to terms with its objectives, if its component parts are weak. I suggest to you, therefore, that we must act urgently to rebuild our constituency branches, where they have fallen into abeyance, and give a new sense of purpose and direction to those which are now in operation.

"It is not too soon for us to start detailed planning for our victory at the next general election. A desirable first step should entail the identification and nomination of candidates wherever necessary. And those of us who have been tested by the vagaries of the democratic process should play our part in grooming these new candidates such that they be better placed to avoid the primitive errors of youthful enthusiasm.

"We must also recognise that the electioneering techniques which have served us well in the past may be equally of disservice in the future. In all likelihood, we shall have to present ourselves to an electorate predominantly born after the war, sophisticated in its judgement of public issues, and discriminating in the ways in which it makes its choices. And while the principles for which we stand as a party remain essentially sound in substance, we must constantly remind ourselves that we are not frozen in a moment of history. Our task as a party, therefore, is to accommodate our basic ideals to the changing times, and to present them with the clarity, sense of destiny and boldness of spirit which has been our hallmark over the years. I direct your attention therefore to the

need for a major leap forward in our political education and public relations efforts.

"I fear that I must also direct your attention to the need to strengthen the financial base of the party. Our fund raising must start now for electioneering in the future will have about it many of the aspects of big business. And without money to plan and implement a vigorous campaign we will be severely handicapped.

"Above all, I sense the need for a season of renewal and rejuvenation is upon us. We are today the product of those vintage days of the mid-sixties and early seventies when the Barbados Labour Party was the natural magnet for the best and brightest talents of the land. We have to rekindle that spirit; and in so doing attract a cadre of young persons who can be our leaders in the twenty-first century.

"Mr. Chairman, I would be seriously at fault were I to discuss the role of the party in the immediate future in a purely partisan or nationalistic way. Our party assumed a vanguard role in the development of a federal spirit in this region. When that early movement faltered, we moved to give unstinting support to co-operation in the region at functional and practical levels. Indeed no other party in this region can match the strength of our commitment and support to regional causes.

"Today, the regional movement is under great stress. Fundamental questions of direction,

organisation, mechanisms and objectives have to be resolved. The very spirit of integration is under threat.

"I am confident that these problems can be sorted out if a spirit of goodwill and regional understanding is nurtured. We must as a party pledge ourselves to assisting in the rebuilding of our regional movement and accept it as one of the founding principles that this party will work assiduously to promote.

"Fellow delegates, I look forward to working with all sections of the party in pursuit of the common goals we seek. I look forward also to building on that spirit of unity and co-operation which is very much abroad in the party at this time.

"The ends that we seek will not all be accomplished in the next year. Neither will they be achieved without much enterprise. This party however has always been blessed with a sense of destiny. It has never failed to rise to its challenges. It has never been without the daring and boldness that mark the truly great institutions.

"In the words of George Jacques Danton, the French Revolutionary thinker, we should a clarion call to action today. The clarion call we sound is not the alarm signal of danger. Rather, it orders the charge to new ventures.

"For to succeed, we have need to dare, to dare again, ever to dare."

CSO: 3298/463

## TAITT HITS INFORMATION MINISTRY AS 'PROPAGANDA ARM' OF BLP

Bridgetown BARBADOS ADVOCATE in English 25 Jan 84 p 1

[Text] St. Michael West MP, Mr. Branford Taitt, believes that the Ministry of Information and Culture has degenerated into a propaganda arm of the ruling Barbados Labour Party.

The Opposition MP was speaking in the House of Assembly yesterday as the House moved into Committee of Supply to give approval to the supplementary grant of \$220 339 to the proposed Cultural Foundation.

Mr. Taitt made reference to a Government Information Service programme on CBC Television which said that the Transport Levy Fund was being used for road building purposes.

"Do not put GIS to make that kind of commercial...it is cheap," he told Government.

The Opposition MP also referred to a GIS "slot" on television which spoke of Government's thrust in the north of the island.

He said that it was remarkable that the GIS publication called MONITOR has found its way into the homes of a large number of people in the northern part of Barbados.

"How much money has been spent distributing the MONITOR?" Mr. Taitt questioned. He added: "I am told that you can find it in every house in St. Peter."

Mr. Taitt said that in the same way that CBC "has been successfully removed from the ambit of this Chamber" so too would the Cultural Foundation, which is to be set up as a statutory body.

He asked how come it was that in March 1983 when the legislation for the Cultural Foundation came before the House of Assembly only three people were needed to staff it and now in 1984 it was discovered that 76 people were needed.

He suggested that these people would be appointed by the whims and fancies of the Minister of Information and Culture and told the House that during the

past few months there has been tremendous pressure put on persons who now work in the Department of Culture to opt to go over to the Foundation.

Mr. Taitt also said that the National Independence Festival of Creative Arts (NIFCA) has been reduced considerably.

"There has been a diminution in the participation by the population of this country in that festival," he said.

CSO: 3298/463

## WORKERS UNION FORESEES BUSY BARGAINING PERIOD IN 1984

Bridgetown BARBADOS ADVOCATE in English 16 Jan 84 p 1

[Text] The Barbados Workers Union (BWU) has dubbed 1984 as a busy year for the organisation in view of the 84 collective agreements which must be reviewed.

The union said last weekend that the agreements covered almost all sections of the island's economic activity.

"Among the agreements which are of national importance and which cover large numbers of workers that will be reviewed this year, are the Government and Statutory boards, the Barbados Port Authority and the Telephone company and Hotels," the BWU said.

Only last week the union finalised a new wages contract for sugar workers after only four meetings with Barbados Sugar Industry Limited.

This month the union is due to submit proposals to 21 employees, including the Government.

Agreements whose expiry dates will fall during the first four months of this year are:

Barbados Industrial Development Corporation, Barbados Mortgage Finance Company, Barbados Turf Club, Bernard Sunley and Sons, British American Tobacco, Child Care Board, Debates Committee, Government and Statutory Boards, Hope Dairy Farms, National Petroleum Corporation, Nation Limited, M and M Construction, Parks and Beaches Commission, Sanitation Service Authority, Stewarts Limited, Kentucky Fried Chicken, Reid and Nicholls Limited, Downes Building Material, Quarries and Rogers Quarry, Surveying Services, foundries, Motor Services—Clerical, Pebbles Restaurant and Knights Limited.

Meantime, the union has recently submitted proposals to a number of companies to revise the existing collective agreements with firms. They are Clarke and Tucker, Evelyn Roach and Company, and Adams Construction.

CSO: 3298/463

## COMPLAINTS TO MINISTRY PROMPT REVIEW OF TOURIST BOARD

Bridgetown BARBADOS ADVOCATE in English 19 Jan 84 p 1

[Text] A review of the staffing and operations of the Board of Tourism plus action to ensure that high standards are maintained in view of the bad image being projected are among plans to be carried out by Government this year.

Announcing this yesterday was Tourism Minister Bernard St. John who said that too many complaints relating to service, sub-standard cuisine and unsanitary conditions at some hotels and restaurants and harassment on beaches were still reaching his Ministry.

Mr. St. John told the official opening ceremony of the Heywoods Hotel and the Speightstown bypass road, that the Board of Tourism through its hotel licensing and classification scheme will be going all out this year to ensure that the highest possible standards are maintained in the industry."

He said also that during the course of the year his Ministry will be continuing its in-depth review of the industry.

"In this regard surveys are presently being carried out to examine areas such as pricing, manpower requirements and training, visitors expenditure and attitudes of locals and visitors to tourism.

"A review of the staffing and the operations of the Board of Tourism will shortly be carried out as part of an overall effort to improve the efficiency and management of our tourism industry."

The Barbados Hotel Association continues to complement Government's efforts in the effective promotion of Barbados overseas and in this regard has recently introduced a reservations service.

Mr. St. John said the service had been needed for some time and he praised the BHA for taking the lead in that respect.

He said Heywoods will go a long way towards satisfying the type of accommodation which it was catering but stressed the hotel will like others have to compete since it must satisfy its loan obligations.

He added: "It has not been granted any concessions other than those accruing under the Hotels Aids Act to which it was entitled since it is located outside of the area which, in Government's opinion, has been developed to its maximum potential and in respect of which Government has restricted the grant of aids."

CSO: 3298/463

**POLICE REPORT 'SUBSTANTIAL' DROP IN CRIME FOR 1983**

Bridgetown BARBADOS ADVOCATE in English 27 Jan 84 p 1

[Text] Statistical reports from the Royal Barbados Police Department have indicated a significant drop in the crime rate during the 1983 period compared with 1982.

Inspector Allan Longe, public relations officer of the force, said yesterday that the substantial drop in the overall crime rate could be accredited to stepped up police programmes, especially vehicular and traffic patrols.

He said that the Police Department's job of tackling crime in Barbados was being made easier by programmes implemented in 1982, and would become easier if the department could acquire all the necessary aids to fight crime.

Reports have indicated that 18 murders were recorded in the country in 1982, with only two still under investigation. These are the deaths of Othneil Austin and Sandra Robinson.

Inspector Longe said the murder rate decreased somewhat in 1983, with 13 reported homicides. Eleven of these homicides were solved by the Police Department, while the deaths of Andre Franklyn, who was found dead in March and Carlowe Young who was discovered in a gully in St. Joseph in June last year, still remain unsolved.

Almost 50 illegal firearms were turned over to the police during the amnesty programme for firearms which ended last year, the police PRO said while two firearms have so far been confiscated by the police this year. These two confiscations were not a result of the amnesty programme, but as a direct result of normal police procedures, he added.

Robberies, with bank robberies inclusive, also saw a tremendous decline in 1983, as only 27 cases were recorded, in comparison with 41 for the 1982 period. Seventy cases of robbery were reported to the police in 1981.

CSO: 3298/465

## BRIEFS

BARROW ON CARICOM HQ--Opposition Leader Errol Barrow has said he was not in favour of removing from Guyana, the Caribbean Community and Common Market (CARICOM) Secretariat. Mr. Barrow told a luncheon of the Chamber of Commerce he was not going to advocate its removal although it might not be in the best place. He stated that one of the reasons for placing the Secretariat there was that since Guyana had not been in the West Indies Federation and already felt isolated being on the periphery, as it were, or Caribbean activity, by placing it there Guyana would come to feel more committed to the idea of West Indian integration. "It has not worked out in the way that we expected it to work out," he said. "I think it would be a grave mistake to move the Secretariat from Guyana at this particular juncture," he added. Dominica's Prime Minister Eugenia Charles and businessman Parry Bellot made the most recent calls for the Secretariat to be removed. [Text] [Bridgetown BARBADOS ADVOCATE in English 26 Jan 84 p 1]

ADVOCATE OWNERSHIP--Agreement has been reached for the sale of the majority shareholding in The Advocate Company Limited owned by Thomson West Indies Holdings Limited to McEneaney Alstons (Barbados) Limited, a local company controlled by Barbadian nationals and residents. With the completion of the sale, the national daily newspaper of Barbados will revert to local ownership as it was until June 1961. This local company owns Charles McEneaney and Co. Limited, Stokes and Bynoe Limited and Consolidated Finance Company Limited. The Advocate Company Limited which was established in 1895 publishes the BARBADOS ADVOCATE and the SUNDAY ADVOCATE and operates a Stationery and Bookshop. The minority shareholding in the company is owned by the Gale and Chenery families who are the descendants of the founder, Valence Gale Snr., and Thomas Chenery, the first editor. [Text] [Bridgetown BARBADOS ADVOCATE in English 18 Jan 84 p 1]

OIL SPILL CRACKDOWN--Bridgetown Port authorities have cracked down on ships captains who discharge their waste oil into the deep water harbour and its environs. According to Port Manager Mr. Peter Parker, the "tightening up" measures have intensified over the last two years and have resulted in an improvement in preserving the harbour waters from the effects of such discharges. Mr. Parker revealed that no law-suits have as yet taken place and that the measures have been mostly at the warning and advising level. He noted that not only does the oil floating on the water's surface foul up the harbour's structures but it could also destroy the marine life in the

immediate vicinity. The port officials also observed that ship's captains and their officers are not the only ones who may be guilty of throwing waste oil into the waters in and around the Port and the Careenage. "We had the case where we tracked an outflow coming into the Careenage to a business firm in the city, we told them to clean up their act," said Mr. Parker. "We can of course only do so much with our limited facilities and expertise in this area," he added, pointing out that the harbour has equipment to cope with spills in the harbour but that any major oilspill from say, a grounded tanker on a reef, would have to involve other forces in the clean-up tasks. [Text] [Bridgetown BARBADOS ADVOCATE in English 16 Jan 84 p 1]

NEW GOVERNOR GENERAL APPOINTED--Bridgetown, Barbados, 17 Feb (CANA)--The Barbados Government today announced the appointment of former legislator, educator trade unionist Sir Hugh Springer as governor general to succeed Sir Deighton Ward, who died suddenly January 9. The appointment becomes effective February 24. Sir Hugh, 70, will be sworn in on the same day. [Text] [FL171620 Bridgetown CANA in English 1607 GMT 17 Feb 84]

UNEMPLOYMENT INCREASES--Bridgetown, Barbados, 11 Feb (CANA)--A 2.5-percent rise in unemployment during the last quarter of 1983 pushed Barbados' end of year jobless figure up to 15.8 percent from 13.3 percent in 1982, a government release said. Unemployment among Barbadian women was responsible for most of the increase, the release said. The level of female employment climbed to around 21.7 percent during the three-month period from 16.5 percent in 1982. Over the period, the labour force fell by 1,300 persons from 111,800 persons in 1982 to 110,500 last year. Of this number, 59,800 were males and 50,700 females. The number of persons in employment was 93,000 as compared with 96,900 in the same three-month period of 1982, the release said. Those not in the labour force increased from 62,100 persons in 1982 to 64,100 persons in the fourth quarter of 1983. The labour force as a percentage of the number of adults, declined by 1.0 percent from 64.3 percent in October to December, 1982, to 63.3 percent in the corresponding quarter of 1983. The number of adults increased from 173,900 in the 1982 last quarter to 174,600. [Text] [FL131452 Bridgetown CANA in English 2200 GMT 11 Feb 84]

CSO: 3298/1120

## UNIVERSITY REPORT ON 1983 ECONOMIC GROWTH, 1984 OUTLOOK

Santiago EL MERCURIO in Spanish 7 Jan 84 p B-1

[Text] The Chilean economy grew 4.1 percent in the second half of 1983 in comparison with the same period of the previous year. This is noted in the report "Comments On The Economic Situation," released by the University of Chile's Economics Department.

The report states that "a higher level of activity was noted in the second half of the year over the first half and, although official preliminary figures are still not known, our preliminary estimates indicate a 4.1 percent growth in this second half, in comparison with the same period of the previous year."

The University of Chile report stresses that 1983 was different "from the previous year, and there was a turn-around of slumping trends. While the level of production dropped consistently from one quarter to another in 1982, it was the opposite in 1983."

The University of Chile's Economics Department maintains that a "turning point" has been reached, which the department attributes to late in the first half of last year, and that it began to show a change in the direction of the economy.

#### Outlook for 1984

The report emphasizes that although "the situation is not clear regarding external resources nor on how the agreement with the IMF will be implemented," it is possible to foresee an increase in the gross national product for 1984 of at least 3.3 percent.

It is also noted that "official preliminary estimates, which place such growth at around 5 percent, do not seem to be too optimistic, given the expected development of the economy."

The final percentage depends, among other things, on the role that the state will play in three key areas: "formulation of macroeconomic policies, stability of policies, and clarification of ownership of resources."

Regarding the latter aspect, the report notes that an early clarification "of the problem of ownership which affects a number of financial institutions and, through them, so many other productive businesses, is fundamental for the outlook of achieving rapid economic recovery."

According to the University of Chile, a considerable segment of the dynamic sectors of the economy is currently at a standstill, not only for lack of resources, "but also because it is affected by the lack of clarification of their ownership."

#### Employment

Lastly, the economic forecast stresses that "since economic recovery is the main objective at which government decisions should be aimed, it should not be overlooked that the unemployment problem is closely linked to that objective."

In this regard, it adds that although a positive relationship still exists between increased production and employment, "the medium-term results that can be obtained from cutting the unemployment rate by this means alone do not appear to be too spectacular."

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CSO: 3348/247

## WINE EXPORTS TOTALED MORE THAN \$7 MILLION IN 1983

Santiago LA NACION in Spanish 21 Jan 84 Nuestro Campo Supplement p 4

[Text] The Association of Wine Exporters and Bottlers of Chile recently released figures on national wine exports from January to October of last year, showing a total value of approximately \$7.27 million or 15 percent less than for the same period of 1982.

Specifically regarding bottled wine, foreign sales dropped 11.2 percent, from 531,304 cases in January-October 1982 to 471,829 cases in the same 1983 period. The drop in terms of value was even higher, 20 percent, because of lower unit prices imposed by the weakened situation in the international market.

Foreign trade figures on bulk wine over the same 10 months of 1983 were more favorable, with shipments amounting to 2,577,639 liters, equivalent to slightly more than \$1 million--figures which compared with the same period of the previous year show increases of 81.5 and 36.6 percent, respectively. It should be noted that the proportionately lower increase of the value indicates that this area also experienced lower unit prices.

The distribution of wine exports by countries of destination in 1983 does not show big differences from the previous year. In the case of bottled wine, the principal markets continued to be Latin America and the United States, which together account for more than three-fourths of the total volume shipped. The other shipments were distributed among a large number of countries in amounts of slight significance.

Regarding bulk wine, the principal market continues to be Japan, whose participation in sales from January to October 1983 remained over 80 percent [of total sales], although there was a slight drop in comparison with the same period of 1982. In this regard, it is important to emphasize the big rise of purchases by Belgium--rising from 10,025 liters in January-October 1982 to 235,125 liters in the same period of 1983--and the emergence of Canada with purchases of 154,000 liters over the same period last year.

Based on the aforementioned figures, it is quite probable that the final results of the 1983 wine exporting season will register a significant decline

in volume and value. This, of course, will be caused by the decline of the bottled product, which will vastly neutralize the increases in bulk wine. However, it can be noted that the reasons for such reduced sales are easily explainable by the depressed economic situation and, therefore, low demand currently being experienced by most of the world's countries, especially the Latin American countries which were the biggest market for Chilean wine.

Country	January-October 1982		January-October 1983		% of Difference	
	Liters	Dollars	Liters	Dollars	Liters	Dollars
Japan	1,338,470	691,849.95	2,068,991	811,547.61	+54.57	+17.30
Belgium	10,025	5,614	235,125	86,996.31	+2245.38	+1449.63
Canada	---	---	154,000	34,819.85	---	---
Switzerland	40,100	22,857	62,100	27,755.91	+54.86	+8.30
Paraguay	---	---	34,400	33,910.62	---	---
Peru	2,500	2,700	11,348	9,440.92	+353.92	+249.66
Germany	20,000	7,880	4,000	1,752	-80.00	-77.76
Panama	---	---	2,755	2,565	---	---
England	---	---	2,000	1,580.78	---	---
Bolivia	1,750	1,750	2,000	778.07	+14.28	-55.53
Dom. Rep.	---	---	920	782	---	---
Ecuador	4,991	3,094.42	---	---	---	---
Brazil	2,500	2,700	---	---	---	---
Total	1,420,336	738,445.37	2,577,639	1,008,929.14	+81.48	+36.62

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CSO: 3348/247

## AD LEADER SAYS MDP SEEKS 'COMMUNIST REVOLUTION'

PY181305 Santiago Domestic Service in Spanish 1000 GMT 18 Feb 84

[Excerpts] The Popular Democratic Movement [MDP] is trying to disguise a Soviet-type communist revolution as an economic emergency program. This charge has been made by the lawyer Javier Diaz Lopez, member of the Democratic Alliance [AD], while referring to the program made known by the MDP in the Caupolicán Theater 2 weeks ago.

Lawyer Diaz, member of the Republican Right, pointed out in the first place that extremists and communist elements, at the service of the Soviet Union, are members of the MDP.

Diaz added that all opposition movements agree upon the need for an economic emergency program, but he asserted that the thing sought by the Communist Party is to bring about, through the MDP, a political revolution. Javier Diaz said that communism and the MDP are seeking to sell to the opposition a totalitarian regime similar to the one reigning in the Soviet Union.

Javier Diaz added that the Republican Right cannot allow the MDP to try again to impose the Marxist regime which the people rejected in 1973.

Diaz also said that he did not believe that any group not belonging to the MDP would respond to the appeal of communism. I would be surprised if anyone did, Javier Diaz said.

CSO: 3348/277

## REPORTAGE ON EFFORTS TO EXPEL FORMER NAZI

## Government Refuses To Expel Rauff

PY171400 Santiago Radio Minería in Spanish 1000 GMT 17 Feb 84

[Excerpt] The Chilean Foreign Ministry understands that the question involving Walter Rauff is permanent, painful concern for the Jewish people, but Chile's position on this question will not change.

The declaration was made by Foreign Ministry Acting Foreign Policy Director Oscar Fuentes who met with the Israeli ambassador to Chile. Fuentes told the ambassador that Walter Rauff will not be expelled from Chile, because he has lived in the country for 20 years and has not committed any action punishable with expulsion under Chilean law.

## Israel Insists on Expulsion

PY221417 Santiago Radio Minería in Spanish 1000 GMT 22 Feb 84

[Excerpt] Israeli Ambassador David Ephrati has noted that the Israeli Government will continue to insist on the expulsion from Chile of Nazi war criminal Walter Rauff.

He added that Israel does not take part in the international campaign that is being carried out against the Pinochet government by requesting Rauff's expulsion from Chile.

He added that from the Israeli Government's point of view, this is a serious issue that falls within the framework of bilateral relations. He noted that Israel's request on the expulsion of Rauff from Chile is not part of the international campaign on the case since this is not something new because Israel had requested this expulsion several times over the years.

CSO: 3348/277

## 'ESCAPED' OFFICER DISCUSSES CNI PRACTICES

PY232040 Paris AFP in Spanish 2236 GMT 22 Feb 84

[Excerpt] Rome, 22 Feb (AFP)--Jorge Carrasco Rodriguez, former member of the National Intelligence Center [CNI], and currently under the protection of the United Nations in Italy, has stated that denouncing only the CNI as an organization that kidnaps and tortures in Chile is leaving the door open for other, similar organizations of the Armed Forces, or private ones such as Alfa-Omega.

Carrasco, who arrived in Italy by escaping from Santiago on 23 December 1983, agreed today to a press conference during a meeting for the defense of human rights in Chile and the abolition of the CNI, sponsored by the Provincia da Roma [not further identified].

Without citing names for fear of retaliations against his family, Carrasco stated that other organizations pertaining to the Armed Forces now play roles which had previously been reserved only for the CNI, which reports directly to General Pinochet, and is composed of approximately 5 percent of the highly qualified personnel of the old DINA [National Intelligence Directorate].

Among these organizations, Carrasco mentioned Alfa-Omega, led by former DINA director Colonel Manuel Contreras, which under the facade of a private security service acts in the style of death squads.

Carrasco, 27 years of age, an Air Force lieutenant, had been secretary of the deputy police chief of the CNI and instructor of the personnel of that organization, reaching the rank of interrogator, after finishing a special course at the Alto Hospicio Airbase, in Iquique, Chile.

The CNI has 150 officers, a team of 500 persons from different branches who rotate periodically to guarantee internal security, although it does not carry out duties abroad as did DINA, Carrasco stated.

Moreover, he added that Chilean secret services have close relations with those of the FRG, although, he said, I have no proofs at hand.

Those who die out of torture are accidental, but there are others who are detained with an X on their forehead, Carrasco stated, referring to those who have been predestined to die and who will be murdered once they provide the information required from them.

Electric shocks, the grill (a metal bed on which the detainees are tied naked to be tortured), and the sandwicher (hot metal plates into which their members are tied) are some of the torture methods used on a daily basis, Carrasco stated, although I never tortured any one while I was an interrogator, he added.

He said that the actions are not discussed among the CNI members, nor do they talk about figures or dates referring to the detainees for internal security reasons, and that for supplying some information on future detentions he was denounced to the CNI High Command.

This was one of the reasons which led him to escape, in addition to having changed his thinking about the CNI since some time ago, because many injustices have been committed.

I have always had a socialist tendency, Carrasco stated. He belongs to a family of policemen and military officers, and his brother, Carabineros Commander Javier Carrasco, has sworn to kill him since he sought refuge in Italy.

For fear of retaliations against his family in Chile, Carrasco declined to provide information on the fate of the missing persons, the clandestine detention and torture centers, and the names of persons who are responsible for repression, although he said he knows all about these matters.

CSO: 3348/277

COUNTRY SECTION

CHILE

HUMAN RIGHTS OFFICIAL ON CNI AGENT'S REPORT

PY112105 Santiago Radio Cooperativa in Spanish 1615 GMT 23 Feb 84

[Excerpt] The statements made by a former CNI [National Intelligence Center] agent confirm that General Gordon did not tell the truth about this center. This was stated by Andres Dominguez, coordinator of the Chilean Human Rights Commission, who referred to the statements made before the Italian Parliament in Rome by a former Chilean Air Force officer who worked for the CNI and who is under the United Nation's protection.

Regarding the importance of these statements Dominguez said:

[Begin Dominguez recording] The most important thing about his statements is that they confirm something we already knew and that General Gordon had denied. During interviews granted to Santiago newspapers General Gordon tried to depict the CNI as a very nice, very innocent, very pure organization. It is quite obvious that General Gordon went overboard in the way he depicted the organization during the interviews, therefore, the fact that a former CNI agent has made the statements he did in Italy confirm something that the entire country knew, that is, that General Gordon did not tell the truth about the CNI. [end recording]

Andres Dominguez then wondered what the CNI director is going to say in view of the publication of the statements made by the former CNI agent.

[Begin Dominguez recording] It is quite probable that the same as usual will happen, that it will be denied that this gentleman ever belonged to the Chilean Air Force, to the CNI, his name is probably no longer listed on the Chilean police identification records, they will even try to deny his identity. This is quite normal, it is what has always been done. The same thing happened with those who testified regarding the case of Tucapel Jimenez. On that occasion it was also said that there was no such person under that name in the CNI, but we already know this procedure. [end recording]

CSO: 3348/277

## BRIEFS

BOMB EXPLOSION CAUSES POWER FAILURE--A bomb explosion has caused a power failure in the Cerrillos area. The bomb explosion took place in front of the main [word indistinct] on Highway No. 68 in front of the American Steel bolt factory. The explosion was caused by a plastic bomb. According to police reports the factory guard found four explosive cartridges at the base of a street lamp pole. The report notes that the cartridges were defused by police personnel. [Text] [PY181815 Santiago Domestic Service in Spanish 1630 GMT 18 Feb 84]

POLICE ARREST MAPU MEMBERS--Investigations police have arrested two members of the outlawed MAPU [United Popular Action Movement-Workers and Peasants faction] who participated in the attack against the Evangelist Christian Aid Corporation headquarters located at 460 Manuel Montt. They have been identified as (Marcelo Daniel Mendoza Lucero), 22 years old, alias (Jorge Ricardo Santana Navarro); and (Jaime Ivann Pinto Abslo), 25 years old. The two men have been placed at the disposal of the Santiago criminal court. [Excerpt] [PY221841 Santiago Domestic Service in Spanish 1630 GMT 22 Feb 84]

AIR FORCE REJECTS OFFICER'S CHARGES--Santiago, 24 Feb (AFP)--The Chilean Air Force (FACH) rejected today the report made in Rome by an alleged Chilean security agent on actions carried out by the National Intelligence Center (CNI) against people who oppose the military regime. The FACH indicated that Jorge Carrasco Ramirez has never belonged to the Chilean Air Force or any security organization. However, the FACH stated that there is a private, first class accounting clerk within the institution by the name of Jorge Antonio Carrasco Ramirez who traveled to Rome at the end of 1983 "after forging documents and stealing a considerable amount of money." The alleged CNI agent stated in Rome that the CNI is not the only organization that kidnaps and tortures in Chile, because there are other, similar organizations of the armed forces and private ones involved in such activities. Carrasco also revealed some torture methods used by Chilean secret agents. [Text] [PY251558 Paris AFP in Spanish 0340 GMT 24 Feb 84]

CSO: 3348/277

## CONCERN EXPRESSED ABOUT MIDDLE MAGDALENA

PA202347 Bogota EL TIEMPO in Spanish 17 Feb 84 p 5A

[Article by General Alvaro Valencia Tovar]

[Excerpts] The Middle Magdalena region continues to be the primary area for the revolutionary actions staged by the self-styled Revolutionary Armed Forces of Colombia, FARC. They are involved in a rural struggle of the sort that proved quite successful in several countries, including China, Vietnam and, to a lesser extent, Cuba. It is known as the peasants' war.

The process always involved the same lines, with a few changes intended to tailor it to the country involved. It begins by influencing the peasants through skillful psychological actions in which intimidation and persuasion are alternated. Then, self-defense groups are organized among the peasants, which the rural resident either joins voluntarily or is drafted into by force. He commits himself to the cause of the revolution, however, as it progresses. When these early cells attain a sufficient number of members, they either split to create new rebel groups, or begin to undertake guerrilla operations.

This is exactly what is taking place in the Middle Magdalena region and in other parts of the country. The western bank of Colombia's largest river is literally in the hands of the guerrillas and the peasant defense organizations, which are much closer to the guerrillas spiritually than they are to the nation's armed forces. There can be no illusions about this. The commitment to struggle is practically universal among the civilian population in those areas. There is still time to redeem them, however, because the merger into a single insurgent corps has yet to be completed. And yet this rescue requires a great effort, for which the army can only serve as the guiding force. The state is called upon to contribute highways, organized land settlements, schools, health, welfare, hope and better living conditions, for without these things, democracy becomes illusory and does not respond to the goals and anxieties of a weakened and abused society.

CSO: 3348/276

COUNTRY SECTION

COLOMBIA

BRIEFS

LEFTIST TO FORM COALITION--The communist party will, no matter what happens, form a coalition with other leftist groups for the midterm elections, the electoral campaign manager of this association, Jesus Anibal Suarez, has disclosed. He noted that it had not been possible to reach an agreement with "Firmes," because this group did not wish to keep in mind the true electoral weight of each of the leftist forces, and sought the first council seat, which is reserved for the communists, who have sufficient votes to keep it. As a result, the Communist Party of Colombia (PCC) will form another coalition: the first council seats will go to them, and the second most important seat will go to Abel Rodriguez of the Colombian Workers' Party (PTC). The second alternate post will go to either Socorro Ramirez or to Arnulfo Bayona of the Socialist Revolutionary Party (PRS). Up until now, no agreement has been reached on the first Assembly seat, which was offered to "Firmes." The latter was requesting the council seat for the former candidate, Gerardo Molina. [Bogota EL TIEMPO in Spanish 7 Jan 84 p 6-A]

CSO: 3348/275

## GOVERNMENT IRRESPONSIBILITY BLAMED FOR IMF AUSTERITY DEMANDS

San Jose LA NACION in Spanish 25 Dec 83 p 2A

Article by Lidiette Brenes de Charpentier

Text Chile and Argentina did it: they reached an agreement with the International Monetary Fund and put employees out of work when the public sector became too large. Pinochet and Galtieri fulfilled their agreement availing themselves of the law of force.

The Costa Rican Government is now forced to do the same, and for this it can only rely on the force of the law. A painful problem for a democratic country, so that it would have been better, from the beginning, not to have created the 6,000 jobs that they now have to eliminate.

The measures that the Monge administration has to adopt in order to reduce the government deficit are harsh, unusual, extreme and unpopular. One must look there for the motives that persuaded the president to make the unexpected statements on Monday accusing the IMF of wanting to destabilize the democracy.

The president acknowledged that Costa Rica, making an extraordinary effort, honored all its commitments with that organization and that now, "when we ask them to permit us to take care of our new liabilities through a series of commitments, they want to reduce the budget by means of a law."

As if he were standing on a vantage point that would allow him to scan the future, the president predicts that the new measures will provoke strikes, barricades, disorders and disturbances, inasmuch as neither the workers' salaries nor the managers' income can stand more taxes, increases in the cost of public services or higher tariffs.

History Repeated

The president's complaint has been heard twice in 4 days, at which rate he is likely to equal the record of former president Carazo, who in 3 months, from January to March 1982, made ten statements against the IMF, finally breaking relations with it.

Is Don Luis Alberto right in his complaint? It depends.

Looking at it from the point of view of the rigidity of the stabilization programs recommended by that institution and of the stringent conditions they involve, the presidential dissatisfaction seems reasonable.

Mexico's minister of finance, Jesus Silva-Herzog, seemed to agree with these arguments when assuring the prestigious international journal INVESTOR, of last September, that "the plans of the IMF include a reduction in government expenditures, freezing of salaries, putting a ceiling on internal credit, an increase in interest rates and a considerable devaluation. If all the parts of this program are carried out it will produce a decline in the economy and its stagnation at levels that are no doubt socially and politically unacceptable."

Echoing the complaint, Arturo Soca, his Venezuelan colleague, asserted in the same edition that the IMF does not take into consideration each country's particular circumstances before prescribing the standard package of measures to correct the deficit in the balance of payments.

If complaints to this effect from economists and heads of state were compiled, several books could be filled. But even so, at the end of fiscal year 1983, no less than 39 countries were working under stabilization agreements with the IMF, and according to December's INTERNATIONAL REPORT, a monthly bulletin edited in New York, it is expected that Italy, France, Spain, Greece, and Portugal will approach Washington in 1984. Certainly one cannot do without the IMF in these times.

#### The Other Side

From another point of view, Don Luis Alberto errs in placing only the IMF on the bench of the accused.

If guilty persons must be found, the minister of finance, Dr Federico Vargas Peralta, should be brought to trial for sending to the Legislative Assembly a budget that transcends all logic in the excessive amount of expenditures and the shortage of revenues.

He shares the responsibility with the rest of the cabinet who did not wish to make cuts, and the presidents of autonomous institutions cannot escape criticism either. But President Monge himself must take the principal blame, because once more he has lacked what is called political will, which has been unknown during this mandate.

#### Planning

Many people, alarmed, asked themselves on Tuesday what the draconian measures recommended by the IMF might be. Several experts consulted that same day assured us that there was nothing concrete, that the president had not finished planning ways to reduce the deficit, that some possibilities were being considered, and that indeed, at that date, the program that Salvador Umana, representative of the IMF in Costa Rica, was supposed to take to the headquarters in Washington had not been delivered to him.

It should be repeated once more: the IMF, which is a heartless organization, is very much interested in balancing the finances of a country, but it could not care less how this is done. If the Costa Rican government had had the cuts ready, doing away with the less painful parts or simply preventing expenditures from growing, the foreign officials would have had little opportunity to stick their noses in our business.

But since no one presents alternative plans because apparently everyone is busy with various matters, which range from searching for a committee to the presidency of the republic, at the last minute, in a rush, when the agreement in force has lapsed and they have to hurry up and formalize another one, everything said is accepted, no matter what it may be.

When the president blamed the IMF, he was doing what psychologists call projecting, an operation by means of which a person rids himself of, and places on someone else, a responsibility that he does not acknowledge. Or that preferably belongs to someone else.

9907  
CSO: 3248/382

## COFFEE HARVEST LARGEST IN COUNTRY'S HISTORY

San Jose LA NACION in Spanish 9 Jan 84 p 12A

Text The sale of the coffee surplus together with all of the 1982-1983 coffee harvest from which it derives was announced by the executive director of the Coffee Bureau, attorney Mario Fernandez Urpi.

This was accomplished through a commission established for managing this surplus and through the signing of bilateral business agreements that allow preferential treatment, as in the case of Argentina.

He explained that the 1982-1983 coffee harvest, 2.8 million fanegas was the largest in the country's history, which caused a difficult-to-handle surplus accumulation and made it harder for the producers to make the final sale on a shorter term.

That situation, Fernandez noted, was thoroughly analyzed by the board of directors of the Coffee Bureau and by the executive branch.

Among a series of measures adopted to confront the problem of surpluses was the establishment of the commission, which visited importing countries that are not members of the International Coffee Council, with whom the respective agreements were established.

Since the Costa Rican prices are not competitive with those of Brazil and Colombia, who are members of the Latin American Integration Association (ALADI), of which Argentina is also a member, it was possible, by virtue of an agreement signed with this country, to penetrate that market, which consumes an annual volume of 550,000 sacks of 60 kilograms each.

Fernandez stated that efforts were also made to arrange sales through bartering. Nonetheless, he emphasized, thanks to the commission's efforts, together with those of the country's exporting companies, by 31 December all of the 1982-1983 harvest, including the surplus, had been sold.

The director of the Coffee Bureau stated that the complete sale of the coffee generated total revenues of 8,858 million colons (\$206 million) quoted on rail (free on port), in contrast to the revenue generated by the 1981-1982 harvest, which was 8,000 million colons, approximately.

He explained also that in order to achieve such a differential, 421,000 quintals extra were sold for export from the 1982-1983 harvest, which means that it was possible to generate an income in foreign currency by means of an increase in production and in trade.

#### Present Harvest

Talking about the present coffee harvest, attorney Fernandez said that this would be inferior to the preceding one, inasmuch as it has been calculated at 1,825,000 fanegas. This is due to cyclical factors such as climate, untimely and insufficient financing from banks, low prices in the international market and inadequate technical help.

By last 31 December, 665,000 sacks of 46 kilos each had been sold for export from the 1983-1984 harvest, at an average price of \$99.5, ex rail; on the same date of the previous year, 557,000 sacks had been sold at an average price of \$94.5, ex rail.

9907

CSO: 3248/382

COUNTRY SECTION

CUBA

BRIEFS

AMBASSADOR TO ZIMBABWE APPOINTED--The Council of State has designated Comrade Alfonso Fraga Perez as Cuban ambassador to Zimbabwe. At the time of his appointment, Comrade Fraga was serving as a department chief in the Foreign Ministry's Directorate of European Socialist Countries. [Summary] [FL171848 Havana Domestic Service in Spanish 1700 GMT 17 Feb 84 FL]

NEW RADIO STATION--Guillermo Sanchez Garcia, on behalf of the Party's Provincial Assemblies of the Villa Clara Province, gave a speech in which he reported the inauguration of a new radio station in the municipality of Sagua La Grande, Villa Clara Province, and the starting of construction of a new radio station in Caibarin, Villa Clara Province. [FL170335 Havana Domestic Service in Spanish 0000 GMT 17 Feb 84 FL]

UNICEF AGREEMENT SIGNED--An agreement on cooperation in various aspects of health was signed in Havana by Cuba, UNICEF, and the Pan American Health Organization. The document was signed by Hector Rodriguez Llompart, minister-president of the State Committee for Economic Cooperation; Haydee Martinez, president of UNICEF's executive council; and Dr Luis Giraldo, member of the Pan American Health Organization. [Excerpt] [FL170340 Havana Domestic Service in Spanish 0000 GMT 17 Feb 84 FL]

CSO: 3248/432

## FCD DISCUSSES 1983 ECONOMIC DECLINE, 1984 PROSPECTS

Guatemala City PRENSA LIBRE in Spanish 4 Jan 84 ECONOMIC FINANCIAL SUPPLEMENT p 1

[Text] With the end of the 1983 economic period, the FCD [Democratic Civic Front] has made an analysis of the final results of the year and a preliminary projection of the prospects for 1984.

The economic crisis continued in 1983 for the third consecutive year, causing a drop of 2.5 percent in the real production of goods and services. Because of population growth, which is estimated at 3 percent annually, this figure represents a drop of 5.5 percent in income per capita. This means that for 3 years of economic crisis the standard of living of Guatemalans has fallen by 15 percent compared to 1980 average income, that is, a retreat to the level existing in 1974.

The determining factors in the economic decline were a reduction of 6 percent in exports (principally coffee, cotton, and bananas), a drop of 7 percent in investment, and a drop of 3 percent in real consumer consumption, which reflects aggravated unemployment and the deterioration in family income. Because of the lessened economic activity and the shortage of foreign exchange, imports of goods and services diminished 12 percent, which is very serious if it is remembered that during 1982 these had diminished by 23 percent; a contraction of 35 percent in imports in only 2 years undoubtedly affects the finances of many companies and weakens production nationwide.

Regarding the balance of payments, although exchange controls prevented a new drop in reserves during 1983, the payment of interest and dividends abroad, the virtual disappearance of revenues from tourism, and the unavoidable payments for transport services and insurance to foreign firms produced a current account deficit of around \$260 million. Although it is less than in the 2 previous years, the deficit has had to be financed by an increase in foreign borrowing because of the paralysis in foreign investments and commercial credit by foreign suppliers. It is estimated that at the end of 1983 the total foreign debt of Guatemala reached \$1.8 billion.

Unfortunately, economic prospects for 1984 are not encouraging. In the most optimistic projection, which presupposes a continuation of the present economic upsurge of the United States and its rapid spread to western Europe and Japan, the Guatemalan economy would suffer a moderate decline of 1 percent.

In the pessimistic projection, which presupposes a lower growth in the economy of the United States and a slow rate of recovery in the other industrialized countries, this decline would be around 2 percent. In any case the average living standard of Guatemalans would decline between 4 and 5 percent, meaning a new retreat to the level existing in 1971.

It is estimated that in 1984 the balance of payments situation will continue to be precarious. Even if the value of exports were to increase by 6 percent (which is an optimistic projection), the level of imports cannot contract any further as it has virtually reached its indispensable minimum. Although this would allow a modest trade surplus, the unavoidable increase in the payments for services, interest, and dividends abroad would surely cancel it out, and the deficit in the current account could be some \$230 million. If a recovery in foreign investment were optimistically projected, the deficit would again have to be financed with foreign borrowing, whose level would pass \$2 billion by the end of 1984.

9015  
CSO: 3248/345

## FINANCE MINISTER REPORTS ON 1983 DEBT, TAX RETURNS

Guatemala City PRENSA LIBRE in Spanish 30 Dec 83 p 2

[Text] Current revenues for 1983 came to a total of approximately 700 million quetzals, but it was not possible to reach the figure hoped for for various reasons, the finance minister, Col Leonardo Figueroa Villate told a press conference yesterday on the subject of the nation's economy.

The minister was interviewed after emerging from a meeting in the presidential palace, at which an explanation was made of why it is necessary to issue a decree to expedite and provide more flexibility in programs or projects considered urgent.

He added that this did not mean an abrogation of the legislation governing purchasing, Decree 35-80, but that which sets up the standards for cataloguing urgent projects and projects that can be carried out without bids or other troublesome procedures.

#### Floating Debt of 30 Million Quetzals

At the same time Figueroa was asked by reporters about some problems that could arise in January which would prevent the government from paying the salaries of its employees.

He said there was no problem of this nature because the payment of the second part of the Christmas bonus had been provided for, and this would take place from 4 to 6 January.

Speaking about the floating debt involved, Figueroa indicated it is close to 30 million quetzals, approximately. In January it is probable that it will increase by 20 to 25 million quetzals more, thus reaching about 55 million quetzals.

He indicated that this debt had been reduced. In 1981 it was 180 million quetzals, while in 1982 it was 121 million quetzals. In other words, the situation with regard to this debt is improving significantly.

He added at the same time that personnel cuts in government departments themselves were not expected because an increase of at least 1 percent in

restoration of personnel had been contemplated for 1984 in the budget. During 1983 there was a decrease for all practical purposes since restoration of personnel was below 0 percent.

#### Fiscal Revenues

The head of finance said, among other things, that fiscal revenues for the year about to end were some 700 million quetzals and admitted that the projected figure had not been reached.

He said that revenues had diminished during the months of August, September and October because that was the period when the tax reforms had been implemented. But in November and December fiscal revenues had improved noticeably.

#### There Is No Talk of a Devaluation of the Quetzal

The reporters also asked Figueroa Villate if it were true that there were strong pressures from the International Monetary Fund to devalue our currency.

He said reports published in this regard were only speculation because that subject had not been discussed with IMF members at any time.

"The quetzal," he continued, "will maintain its stability against the dollar. Moreover, on 3 January the IMF will make its second disbursement with regard to the program of intentions agreed on with the Guatemalan Government."

9015

CSO: 3248/345

## WORKERS' BANK REPORTS LARGE LOSSES OVER LAST 17 YEARS

Guatemala City PRENSA LIBRE in Spanish 29 Dec 83 p 2

[Text] The Workers' Bank (BANTRAB) suffered irretrievable losses of 3,300,000 quetzals over the first 17 years of its existence, the president of the board of directors, Lehovigildo Garcia Randich, told the editor of PRENSA LIBRE yesterday in explaining the reasons why it was not possible to declare a shareholders' dividend.

He also stated that according to the regulations governing the institution, BANTRAB is authorized capitalization of up to 25 million quetzals, but up to the present it has only been able to raise a 11.5 million quetzals among the shareholders.

When it has reached the indicated capitalization, the bank will proceed to distribute dividends among the stockholder, who number 1,800,000, but for now it is engaged in stabilizing income, something which was not possible for the 17 years prior to 1983.

Garcia said that based on the legislation that created BANTRAB, employers of all workers earning over 60 quetzals per month are obligated to deduct from 1 to 10 shares, payable in 20 months; this is applicable in both the private and public sectors.

"This program automatically provides a benefit, the dividend, but no interest. In its 18 years of existence the bank has attracted 1,800,000 shareholders, whose shares are partially or fully paid for. Now, at the end of this year, we find ourselves with 11.5 million quetzals obtained from shareholder-workers and with which the state participates.

"BANTRAB has had problems with its capitalization because of the deduction system and the long-term lending. After 18 years only 11 million of the 25 million quetzals authorized have been collected. That is, 14.5 million are needed to conclude the capitalization phase.

"During 1983 and in the last 6 months of 1982 direct loan services to shareholders were speeded up; such services were practically halted when I came here. In other words, while it is not possible to declare dividends now, at least shareholders are provided loans at low interest rates, which is a benefit they are receiving.

"In order to declare dividends to the shareholders, the bank would have to have annual profits of over 1.8 million quetzals; however, in previous years instead of profits, it has a sustained losses.

"The present management, which is making BANTRAB profitable, has avoided losses and found a way to balance the cost of handling 125,000 loans worth 60 million quetzals.

"Unless circumstances change, it will not be feasible for the bank to declare dividends without first obtaining considerable profits.

"If profits are made, the bank can declare dividends even though the capitalization phase has not been concluded. At the same time it is necessary not to have accumulated losses from previous years."

#### Why Are There Losses?

According to the financial results, the amount of accumulated losses as of 31 December is approximately 3,300,000 quetzals, but this encompasses the first 17 years.

"This has happened because in 1976 many shareholders with outstanding loans (fiduciary loans) died, and for other reasons as well. This means that the losses are practically irretrievable.

"During the year that is drawing to a close BANTRAB is recording modest profits, which will increase next year, thanks to the good management that is running the institution today."

9015  
CSO: 3248/345

## COFFEE EXPORT QUOTA INCREASED

Guatemala City PRENSA LIBRE in Spanish 22 Dec 83 p 2

[Text] The coffee export quota has been raised by 1 million sacks of 60 kilos each, giving Guatemala a chance to increase sales for the first quarter and obtain foreign exchange from coffee exports of over 88 million quetzals, it was learned yesterday.

During the fourth quarter of this year our country exported 588,613.04 quintals of coffee worth 81,817,212.56 quetzals, in accordance with quotas set by the International Coffee Agreement.

With the announcement this week of the increase in the export quota, our country can export an additional 44,855.21 quintals, worth 6,234,874.19 quetzals. As a result of this increase, sales in the first quarter will reach 88,052,086.75 quetzals.

The increase in the export quota, with its favorable effect on Guatemala, is due to the fact that the average price (composite indicator) for two weeks was \$1.40 a pound, after which it rose above this figure.

The International Agreement establishes that when this happens, general international quotas will be increased (freed) automatically, which in this case represents 1 million sacks of 60 kilos each. This will be distributed among the coffee exporting countries in accordance with previously designated quantities, it was learned.

9015  
CSO: 3248/345

## FDYEP TAKES OVER EXPORTING PETEN LUMBER

Guatemala City PRENSA LIBRE in Spanish 3 Jan 84 p 2

[Text] "Most of the foreign exchange generated by the sawmills of Peten stayed abroad, which is why henceforth FYDEP [National Enterprise for the Economic Promotion and Development of El Peten] will be responsible for exporting wood, the marketing agent of the aforesaid organization, Colonel Agustin Armando Villagran Rivas, declared yesterday.

The government official agreed that previously there were various irregularities in the wood business, a situation which has been one of the causes of the serious deforestation that is threatening to turn the Peten region into a desert.

He declared that the owners of some sawmills only brought in a ridiculously small amount of foreign exchange, since most of the foreign exchange remained abroad. He added that policies have been discovered which are ludicrous, since the standing timber tree is valued at thirty cents, when actually its market value is greater.

"These abuses," he went on, "will not occur again, because they seriously impair the development of Peten. We are not going to allow these irregularities to continue, because those affected will be the people of Peten."

Colonel Villagran also stated that from now on only the FYDEP will be in charge of exporting cedar and mahogany woods.

The sawmills, if they wish, will be able to do the selection of trees, the felling, transportation and sawing up of the logs, but the exporting will be concentrated in the FYDEP enterprise.

"This is being done," he remarked in passing, "because we want the income generated by the Peten forests to be invested in works beneficial to the people of Peten. To have foreign exchange to permit opening roads, schools, health centers and the growth and development of tourist programs which actually constitute the hope of the locality."

"I," he went on, "did not come to Peten to line my pockets, but to defend the interests of the department. Now we find conflicting approaches, particularly of sectors whose interests are being affected."

"Notwithstanding," he concluded, "my mission is responsible, honest, and of good will. We are never going to lend ourselves to irregular situations which will prevent the development of the Peten community."

## LAND TITLES GRANTED TO PEASANTS IN VERAPAZ

Guatemala City PRENSA LIBRE in Spanish 6 Jan 84 p 6

[Article by Eduardo Sam Aldana]

[Text] More than 500 Indian peasant families of the community of Baleu, jurisdiction of San Cristobal Verapaz, on 6 January will receive their property titles for 400 caballerias [land measurement in Guatemala equal to 427,900 square meters] after 27 years of negotiations never brought to completion by previous governments.

The leader of the community of Baleu, Santiago Tilom Moran, avails himself of this opportunity to thank the head of state, General Oscar Humberto Mejia Victores and the chairman of the INTA [National Institute of Agrarian Reform] for having brought negotiations to a favorable conclusion and finally the multiple problems that they went through due to not having the titles of the lands on which they have been living and farming for many years.

The gratitude is extensive, Tilom Moran said to Colonel Otto Erick Ponce Morales, commander of the Coban military region and to Lieutenant Colonel Gustavo Rosales, head of the S-5 of the aforesaid military command, for the negotiations and support they were given in solving the property problem of the Baleu lands.

12448  
CSO: 3248/348

**NEW INDIAN TOWN IN QUICHE OPENED BY MEJIA**

Guatemala City PRENSA LIBRE in Spanish 23 Dec 83 p 6

[Article by Mendoza Pinelo, Special Correspondent of PRENSA LIBRE]

[Text] The new town of Acul, located in the jurisdiction of Nebaj, Quiche, was opened yesterday by General Oscar Humberto Mejia Victores in his capacity as chief of state. General Mejia came to this town in the west with his entire cabinet to celebrate the implementation of the pilot plan for rebuilding the towns ravaged by violence.

In the old days, at the foot of the imposing Cuchumatán mountains, there was the Chuatuj hamlet and a small part of what was designated Acul canton, only 11 kilometers from Nebaj, in the department of Quiche. But, one day in 1983 this place was demolished and destroyed by unknown men, who burned all the houses and forced the inhabitants, mostly members of the indigenous Ixchil race, to take refuge in the high Cuchumatán mountains.

Later on, the army controlled the area and slowly rescuing the inhabitants who had taken refuge in the dense mountains, managed to assemble them and promised to start a rebuilding plan which turned into a reality yesterday, when 450 houses made of wood and sheet metal were opened. All government organizations, especially the army and private initiative, have contributed to other services of communal interest.

When their physical safety was guaranteed, the inhabitants offered to work in conjunction with government institutions and the small hamlet that was called Chuatuj has turned into a town of approximately 2,600 inhabitants. The residents are both Ixchils and Quiches.

They are provided with the basic services of a town, according to needs (electric lights, drinking water, school, a health post) and other services which are essential for the growth and development of any community.

General Mejia Victores, when he gave his address, declared, among other things, the following:

"When we were here three months ago everything was in a state of desolation and there were no happy faces like the ones that are blossoming today among all of you."

"We promised you to start a rebuilding plan and today we feel proud to have built the first part, for we shall continue to enlarge and extend this town and the pilot plan now begun will speak in the near future in the same way as in the towns of Saquil, Amchel, Tzalbal, Rio Azul, Actxumbal and the villages of Playa Grande, where bad Guatemalans are destroying and we are building and here is the proof."

"And I am saying all this because it is proved that we are men who carry Maya blood in our veins. Vigorous blood, which in unison knows how to be dedicated and industrious when the need arises. This is a proof of my words, for in 55 days of work the inhabitants of these places, the army of Guatemala and the various organizations have honored their commitment."

"It is our country, and as such let us build our future, alone, as we have done in the first phase. It is timely to say, honorable members of the diplomatic corps who have come to this opening, let the world say what we are doing and not the opposite, as we are criticized abroad."

"We are a united people and when we need to work together, then you have the proof that we can do it, that we are able, capable and competent, from the highest authority to the humblest man or woman of the communities destroyed and demolished by extremists who proclaim a false democracy."

"You, honorable members of the diplomatic corps, know that we were recently condemned within the precincts of the United Nations together with two other nations for human rights violations."

"Here is the proof of our violation, caring for the needs of the poor, coordinating efforts that come straight from the heart, since we have received very little assistance. I am pleased that you have come to realize that we send help to our brothers in the most remote areas of our country and they respond with their help."

"I ask those of you who are ambassadors to convey this to your governments, which have the mistaken notion that the army destroys the towns: but it is not that way, since you see before you the proof that our men dressed in army uniforms have spilled their blood fighting the destroyer. They have also left the sweat of their brow in toil so that we Guatemalans may live the way any human being has a right to live."

At the conclusion of this address by General Mejia Victores, the communal documents were handed to Mayor Sebastian Cedillos, so that government may be carried on according to the legal procedures established for communities by the laws of the land. He also handed over the property titles of the lots where the houses were built, for the purpose of not only giving the inhabitants of Acul a place to live, but also the obligation as home-owners to take care of their new homes and defend them when necessary.

In the name of the Ixtal community, the local mayor, Sebastian Cedillo, expressed thanks for "the human solidarity--he said--with all his people who

came down from the mountains suffering from hunger, sickness and desperation, and today have a house to live in, to which any human being has a right."

The bishop of the diocese of Quiche, Monsignor Paulo Ruizar, blessed the installations of the whole community and exhorted the inhabitants of the town to join their authorities to live together in a dignified and seemly way and encourage the achievements of man through the grace of God.

Several ribbons were cut, symbolically, to open the various services, such as the recreative part, the weaving workshop, a chicken coop, to increase the poultry breeding industry and horticultural cultivations for which the government of China has furnished technical cooperation and possibly this line will be one of the most flourishing productive factors in Acul in the future.

As for communications by land, the battalion of engineers has been working to completely renovate the 11 kilometer route between Acul and Nebaj. This is the route along which the goods produced by the community could be taken out. Since yesterday the town has been busily engaged in performing the work typical of residents of the high plateau country.

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CSO: 3248/348

## MELGAR CASTRO TO HEAD PNH CENTRAL COMMITTEE

Callejas Identified as Presidential Candidate

San Pedro Sula LA PRENSA in Spanish 6 Feb 84 pp 2-3

[Article by Javier Gabino Villalobos]

[Text] Tegucigalpa--The unity of the National Party of Honduras (PNH) was strengthened at last weekend's regular convention, which proclaimed retired Gen Juan Alberto Melgar Castro chairman of the Central Committee. It will be up to him to garner votes for the party so that it can defeat the Liberal Party at the elections next year.

After long months of internal strife that followed two defeats in a row, the party's leaders realized that only if they unite will they be able to run a successful campaign and win the next election.

Seventy-eight convention delegates from the country's 18 departments arrived in the capital of the republic to unify the party of "the lone star."

Scheduled to begin at 9 in the morning, the PNH convention opened 2 hours later (11 am).

While the "deliberations" got under way at the convention, Ricardo Zuniga Augustinus, Mario Rivera Lopez, Rafael Leonardo Callejas and Gen Juan Alberto Melgar Castro met to work out every last detail of the resolution.

The National Party Central Committee, chaired by Juan Pablo Urrutia, opened the session, and provisional members of the Board of Directors were proposed before selecting the regular board to run the convention.

The provisional Board of Directors that drafted the decree opening the convention was composed of attorney Buchard Mejia (chairman), Raul Flores Eceda (first secretary) and Ruben Villacorta Cisneros (second secretary), who were confirmed minutes later to preside over the convention.

They were joined by Natanahel del Cid as deputy chairman and Rosa Maria Trimarchi and Rodolfo Irias Navas as first and second assistant secretaries respectively.

#### Liberal Government Criticized

While the conventioneers requested the floor to offer proposals, they took advantage of the opportunity to criticize the Liberal administration headed by Dr Roberto Suazo Cordoba, mentioning its most obvious blunders and emphasizing the instances of administrative corruption that have occurred during its years in office.

Ely Park Michel, representing the department of Colon, said the following in his speech: "Our fondest desires have always been to truly unify the National Party of Honduras, and now that that dream of the party's rank-and-file has come true, we can only be pleased because it marks the first step towards victory and the replacement of the Liberal Party, which has shown that it cannot govern."

Convention delegate Roberto Echenique Salgado said that this 4 February would be written in gold letters in the political history of the National Party because it was on this very date that we achieved the unity "of the great blue giant," which is supported by more than 700,000 party members throughout the country.

#### Leaders Absent

Leonidas Rosa Bautista and Nicolas Cruz Torres were the only party leaders who were at the convention until the respective commissions arrived.

The huge turnout of party members prevented the new Central Committee, the Political Commission and the Coordinating Commission from being sworn in in the convention hall. Therefore, Chairman Guillermo Buchard asked the members-elect to take the oath in the street opposite the balcony of the party's headquarters.

#### Coordinating Commission Created

The National Party's Political Commission and Central Committee were joined by a Coordinating Commission that will be in charge of reconciling differences. It is made up of Ricardo Zuniga Augustinus, Rafael Leonardo Callejas and Mario Rivera Lopez.

#### The Central Committee

The party's Central Committee is made up of the following members (as LA PRENSA had reported on Saturday): chairman, Juan Alberto Melgar Castro; secretary, Adalberto Discua; treasurer, Rolando Soto; assistant secretary, Raul Aguero Neda; regular members, Wilfredo Gonzalez, Melba

Rubi Vasquez, Adolfo Avila, Ruben Alvarez, Jose Ramirez Soto, Jorge Gutierrez, Ligia Melara de Andrade, Efrain Reconco Murillo and Tomas Quinonez; alternate members, Orlando Henriquez, Luis Triminio, Juan Arnoldo Hernandez and Ramon Mejia Ferrufino.

#### Political Commission

The Political Commission consists of Rafael Bardales Bueso, Nicolas Cruz Torres, Virgilio Urmenate Rubi, Leonidas Rosa Bautista, Rene Sagastume, Manuel Acosta Bonilla, Humberto Lopez Villamil, Armando Cordova, Roberto Cantero, Juan Pablo Urrutia, Carlos H. Reyes, Ricardo Maduro, Ricardo Medina, Mario Calix Urtecho and Leonardo Matute Murillo.

#### Callejas as Presidential Candidate

A source close to the National Party told LA PRENSA that the party's next presidential candidate would be Rafael Leonardo Callejas and that Ricardo Zuniga Augustinus would retain the power to influence the nomination of future deputies.

#### Former Central Committee Chairman Comments

San Pedro Sula LA PRENSA in Spanish 6 Feb 84 p 2

[Article by Nery Arteaga]

[Text] Tegucigalpa--The former chairman of the National Party's Central Committee, Juan Pablo Urrutia, does not regard his ouster as a "coup."

Urrutia was supposed to have completed a 3-year term, under the statutory reform instituted by the National Elections Tribunal, but he served for only 6 months.

"I have faith in the current authorities, and both they and the rank-and-file asked for new authorities, which is a valid reason for making this move and reaching this decision," Urrutia said.

The former chairman described what happened as normal, saying that his personal efforts and sacrifices were worthwhile. He regretted, however, that he had to battle a series of obstacles during his term, mentioning the split in the party as one of them. "It is absurd to think that I have been 'purged' from my party, inasmuch as I will remain in my political position, from which I will fight for the National Party alongside those accompanying me," he added.

The final report that Juan Pablo Urrutia presented merely described events during his short term of office; it was very restrained, never straying from a very conservative stand in favor of unity.

### Rivera Lopez Praises Melgar

San Pedro Sula LA PRENSA in Spanish 6 Feb 84 p 3

[Text] Tegucigalpa--"The rank-and-file members of the National Party of Honduras are the people who are most pleased about the unity that we have achieved," declared Mario Rivera Lopez after the convention was over.

"The National Party's rank-and-file throughout the country have welcomed the party's rock-hard unity. The more than 700 telegrams that I have received at my home demonstrate the joy that reigns among them," he added.

"There have been countless phone calls supporting party unity, which was achieved after the interests of the party were placed ahead of the personal interests of all its leaders," he indicated.

Rivera Lopez stated that "no one should misread the resolution of unity that the blue party has adopted. Since last weekend the party has experienced true unity around a capable, honest, forthcoming man, retired Gen Juan Alberto Melgar Castro."

The leader of the MVC reiterated that whoever thinks that he can manipulate Juan Alberto Melgar Castro is completely mistaken, because he is a man of character and, above all, he wants unity to be the party's hallmark.

After learning of the charges that he would like to hand the party over to a sector of the National Army, Rivera Lopez said that they are the result of the vested interests of people who are looking out for their personal gain, not the good of the party.

He asserted that "the army has nothing to do with the National Party of Honduras, inasmuch as this much needed convention was democratically run by the delegates; at no time was the military involved in this convention."

It is true, he added, that at one point there was some degree of pessimism about achieving unity, but now both the leaders and the rank-and-file of the National Party are completely united, and this is going to take us to the Government Palace in 1985, he concluded.

### Zuniga Appraises New CC Chairman

San Pedro Sula LA PRENSA in Spanish 6 Feb 84 p 4

[Text] Tegucigalpa--Through unity in its top echelons and, therefore, among the rank-and-file, plus its political experience, the National Party will win the next presidential election, stated attorney Ricardo Zuniga Augustinus, a former presidential candidate.

Zuniga Agustinus; who, it is said, will continue to dominate in the National Party because he has 35 convention delegates and 7 members on the Central Committee, stated that the new chairman of the committee is a man of great political ability, which he amply demonstrated when he served as the country's chief executive.

In his judgment, ever since former chief of state Juan Alberto Melgar Castro decided to become involved in politics, he has undertaken "very positive actions," trying at all times to unify the great National Party, a goal that has now been achieved through the efforts of all.

The veteran politician noted that General Melgar Castro has enough courage of his convictions to command respect and not to let himself be manipulated by any faction of the party, which would only further damage it.

Given the virtues of the new Central Committee chairman, the party is going to achieve true unity, which is just now taking shape and which will consolidate over time.

#### Melgar Challenges Critics

San Pedro Sula LA PRENSA in Spanish 6 Feb 84 p 4

[Article by Nery Arteaga]

[Text] Tegucigalpa--The new chairman of the Central Committee of the National Party, Juan Alberto Melgar Castro, began his term of office challenging his detractors to prove that he is "corrupt, a scoundrel or a thief."

He said that he is willing to take the defendant's seat again, as he had promised on 14 March 1982 in his home region, reissuing the challenge now that he has become the chairman of the National Party Central Committee.

#### Supports Maneuvers

Melgar said that he supported the military maneuvers that are currently being conducted in the country, but he feels that they should be temporary, not permanent, as has been suggested lately.

#### Congratulations for Rumualdo

Melgar Castro congratulated Rumualdo Bueso for his courageous statement, because he made it in all sincerity, and even though he has been criticized and put under fire for it, he spoke openheartedly.

Self-criticism is healthy, and if it comes from the chairman of the Executive Central Committee, he is to be believed.

### Will Hold Dialogue Even With the Communists

Melgar said that the National Party fears no one and that he and his men are prepared to dialogue with all sectors, including the "Reina" brothers, the Christian Democrats, the PINU [Innovation and Unity Party] and even the communists.

He said that the current crisis in Honduras demands the involvement of the sectors that have to do with the country's development.

### I Will Not Let Myself Be Manipulated

Acknowledging that there were many leaders in the National Party, he explained that he was their representative and that they were now united in a single "clenched fist." He pledged that he would not allow himself to be manipulated, inasmuch as he does not have personal commitments to any National Party leaders."

### I Am a Friend of the Military

He denounced the maneuvers of opposition sectors to destroy the friendly relations between him and his party and our men in uniform. He publicly declared himself a friend of the military, because the Armed Forces are a worthy institution that deserves the full gratitude of the Honduran people.

### Disagreement with Deputies

He expressed concern over the way in which the National Party's members of Congress have supported many Liberal Party decisions, suggesting that this was due to a lack of guidance or leadership. From now on, however, he will see to it that things are different and that the party's legislative representatives truly deliberate and not just obey orders.

### Melgar Links to Military Claimed

San Pedro Sula LA PRENSA in Spanish 9 Feb 84 'El Capitalino' Supplement p 8

#### [ "Political Chatter" Column ]

[Text] Tegucigalpa--The biggest political news of late has been the much-publicized unity of the National Party, so much so that the leaders of the Liberal Party have scheduled an emergency meeting to look into the consequences of the conservatives' newfound brotherhood.

Nevertheless, the public is still in the dark about the behind-the-scenes maneuvering that led to the reconciliation. There is talk of the involvement of ranking military officers who would like to launch a presidential candidate in keeping with their interests, and the commander of the Armed Forces has even been mentioned as the force behind the unification.

Those who hold this view point out that the new chairman of the party's Central Committee, Gen Juan Alberto Melgar Castro, is a confidant of the Armed Forces. The former chief of state has hastened to deny these charges, however, asserting that the party has not been handed over to any institution in particular.

Any doubts in this regard could be cleared up by the actions of the National Party's congressional representatives, because if they are united, they will presumably act as a single bloc, which they did not until a few weeks ago, as a group of them supported the moves of the ruling party's representatives.

Furthermore, it remains to be seen what stand the National Party will take from now on with regard to the performance of the Liberal Party, whose leader, President Suazo Cordova, talked about the matter in a recent speech, stating that his opponents have lacked the ability to criticize and have not pursued an opposition policy worthy of consideration.

It could also be that the National Party has begun a period of cooperation with the administration in a bid to broaden the democratic process so that it can devote itself fully to campaigning and thus avoid diverting efforts and resources into opposition politics that it regards as futile.

Now that the first reactions to the National Party's unity are in, we can surmise that government circles are worried because the ruling party fears that it might lose control of Congress as a result of a coalition among the National Party, the PINU, Christian Democrats and dissident Liberals.

It was in light of this possibility that the leaders of the Liberal Party, headed by President Suazo Cordoba, scheduled an emergency meeting to reformulate the party's policy and prevent the opposition from controlling Congress and subsequently making changes in government, without excluding the Judiciary.

The statements by the main National Party leaders (Zuniga, Rivera Lopez, Melgar) suggest that their only aim is to return the party to power in 1985, but it is noteworthy that they have said nothing about the commitments that made the party's unity possible.

It is odd that leaders such as Juan Pablo Urrutia, Hector Sabillon Cruz and Mario Calix Urtecho, who had been running the party as they pleased in recent weeks, have agreed so docilely to surrender that privileged position to those whom they used to feel were not able to run the party.

This is food for thought, especially if bear in mind that a few hours before the election Urrutia himself had said that he would continue

as party chairman because he had broad-based support and that it was not a good idea to keep changing party authorities all the time.

His remarks were backed up by another party leader, Rafael Leonardo Callejas, who noted that the entire Central Committee would be reelected and that there would be no changes. What actually happened, however, was quite different, as Urrutia and Callejas jubilantly hailed the party's newfound unity after the election.

The emotional rejoicing has probably prevented the thousands of National Party members from coldly analyzing events prior to the convention, when an understanding seemed impossible. Suddenly, however, everything is hunky-dory.

In the days to come, though, as emotions subside and the Central Committee and the party make their first moves, the members of the party will probably begin pondering what commitments their leaders had to make to form a new ruling group.

#### PHOTO CAPTIONS

1. p 8. Gen Gustavo Alvarez Martinez, the commander of the Armed Forces, has been linked to the compromise reached by National Party politicians and he is even mentioned as a probable candidate in 1985.

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CSO: 3248/412

## CUBAN ACTIVITIES IN AFRICA DESCRIBED

FL301929 Kingston THE DAILY GLEANER in English 17 Dec 83 p 7

[From the "Opinions" column: "Cuba's Policy in Africa" by an unidentified columnist]

[Text] Nearly 25 years after the 1959 Revolution, Cuba's activities in Africa and elsewhere have led to her relative isolation from her neighbours mainly because of Castro's commitment to the promotion of "Socialist Internationalism" and revolutionary change. (This was somewhat modified in the 1970's under pressure from the Russians, who provide Cuba with massive economic and military support.)

Castro did not declare himself a Marxist until the end of 1961, but before then he was bringing the Cuban Communists into government alongside his own guerrilla forces and associating Cuba more closely with the USSR--a state of affairs which eventually led to the Cuban missile crisis with the United States in 1962.

Meanwhile, together with his principal revolutionary lieutenant, the Argentine-born Ernesto "Che" Guevara, Castro was promoting subversion in neighbouring states and armed uprisings in South America, led not by the ordinary (pro-Soviet) Communist parties but by small bands based in the countryside (the so-called "foci" of revolutionary activity).

Although during the 1960's Cuba's main efforts were concentrated on Latin America, contacts were made with radical governments and liberation movements in Africa. A Cuban military mission was established alongside the Russians in Ghana in 1961, when Cuba also began training (for a short period) guerrillas from Zanzibar, Senegal, and Cameroon. Che Guevara visited Africa in 1964-65 and in 1965 took a contingent of armed volunteers to the Congo (now Zaire). Cuba provided assistance to several African governments to set up militia forces; in Congo (Brazzaville) in 1966 the Cuban-trained presidential guard helped put down a military revolt. The Cubans also set up a militia for President Sekou Toure in Guinea. In the mid-1960s Cuba developed links with national liberation movements in the Portuguese territories--mainly those also supported by the USSR. Cubans were particularly active in Guinea-Bissau, assisting the PAIGC; but otherwise she scaled down her support for African guerrilla groups in the period 1967-75 and began to seek more ties with governments.

By 1972, Cuba had diplomatic ties with only four African states: Guinea (1960), Mali (1961), Congo (Brazzaville) (1964), and Tanzania (1964). Following Castro's trip to Africa in 1972 links were established with Equatorial Guinea, Mauritania, Sierra Leone, Somalia, Zambia, and Uganda, with military missions in Somalia, Equatorial Guinea, and Sierra Leone. The visit of President Brezhnev to Cuba early in 1974 underlined Cuba's full membership of the Soviet camp. Castro agreed to modify his appeals for armed struggle, virtually regardless of circumstances, and Cuba was given massive Soviet credits, tying her to the Soviet bloc.

Cuba had begun to provide guerrilla training in Cuba and in Congo (Brazzaville) for the MPLA guerrilla forces in 1966; about 200 Cuban personnel were training the MPLA forces as fighting between the rival groups (MPLA, FNLA, and UNITA) seeking power in Angola started to arrive. Further reinforcements arrived after independence (November 1975), reaching a level of about 16,000 in January, 1976. The Cuban leaders claimed that the decision to commit troops to Angola was a Cuban one, following a request from the MPLA in last October 1975. But they could not have implemented the decision without Soviet logistical support.

About 20,000 Cuban troops remain in Angola and the Angolan Government has halted its programme for their withdrawal. They provide insurance against the threat the government perceives from South Africa and, increasingly, from UNITA. The troops also have a role in protecting the government. Cuban support was crucial in suppressing the abortive coup by the Alves group in May 1977. Cuban troops guard Gulf oil installations in the Cabinda enclave and train the Angolan armed forces (FAPLA), but have not so far sought a significant combat role against UNITA guerrillas.

Early in 1977 Castro toured Africa and the Middle East and reportedly presided over a meeting in Aden between President Barre of Somalia and the Ethiopian leader, Lt-Col Mengistu Haile Mariam. This was aimed at resolving their dispute over the Ogaden region of Ethiopia through the formation of an "anti-imperialist, socialist federation" for the Horn region, which would include Ethiopia, Somalia, South Yemen, Djibouti, and an autonomous Eritrea. But though Cuba had had diplomatic ties with Somalia since 1972 (and some 500 advisers attached to the Somalia Army) and some influence with the Eritrean guerrillas, Castro was unsuccessful. Nevertheless, his visit to Ethiopia marked the beginning of a much closer involvement there. Cuban military advisers in Ethiopia, numbering about 200 in May, 1977, were supplemented and in March, 1978, Lt-Col Mengistu admitted that Cuban troops (estimated at about 16,000) were supporting the Ethiopians in the Ogaden war. They were given Soviet assistance in the form of transport, logistical support, and advisers.

Cuba has faced a dilemma with regard to Eritrean demands for self-determination--which she supported for 16 years. During Lt-Col Mengistu's visit to Havana in April, 1978, Castro (unsuccessfully) urged a compromise by advocating "just political solutions, based on Leninist principles, to the problem of nationalities within a revolutionary Ethiopian state."

External intervention in Africa has preoccupied the OAU, and at its June, 1978 summit meeting, Nigeria referred to the USSR and Cuba as becoming "a new imperialist presence." Nonaligned countries, too, at their various meetings, have expressed misgivings at Soviet and Cuban involvement in the Horn. President Nyerere warned the 1979 NAM summit conference in Havana against the movement allying itself with any power blocs, and most participants rejected the Cuban thesis that the Soviet Union was the movement's "natural ally."

Cuba makes much of her non-military aid to developing countries, particularly the provision of teachers and doctors and help for local sugar industries. However, a large proportion of the Cubans currently working in sub-Saharan Africa, including the medical staff, are relatively unskilled. Some 6,000 of the total of more than 8,000 are working in Angola, with about 700 each in Ethiopia and Mozambique. In addition, many Africans are invited to train in Cuba, where ideological and sometimes guerrilla instruction is also provided. Ghana has recently taken advantage of Cuban offers to train young cadres.

CSO: 3298/1122

COUNTRY SECTION

JAMAICA

JAMAICA, CANADA SIGN MEMO OF UNDERSTANDING

FL161822 Kingston Domestic Service in English 1700 GMT 16 Jan 84

[Text] The governments of Jamaica and Canada have signed a memorandum of understanding under which the Canadian Government will provide a grant of about 6 million Canadian dollars to be used for the purchase of Canadian sardines and dry sole fish.

The signing took place at Jamaica House this morning and was done by Prime Minister Edward Seaga and the Canadian High Commissioner David Reece.

Mr Seaga said that the grant could assist Jamaica's balance of payment problems. The prime minister said the food commodities will be sold by Jamaica, and the cash used to carry out a number of projects.

He said that normally Jamaica would have to lay out cash for the sardines and sole fish in foreign exchange or to secure credit terms, which would be far less (?concessional) than the terms which were provided under the arrangement with Canada.

Mr Seaga said that 5.5 million dollars of the 6 million dollar grant will be used to purchase 172,000 cases of sardines and 800 metric tons of dry sole fish.

Canadian High Commissioner David Reece said that today's is the second food aid agreement between the two countries in this fiscal year and brings the value of Canadian food aid assistance to Jamaica in 1983-84 to approximately 21.7 million Jamaican dollars.

The High Commissioner said that Jamaica continues to be a priority country in the Canadian develop-cooperation program. This year's total development assistance to Jamaica will be approximately 55 million Jamaica dollars.

CSO: 3298/1122

## EDF FINANCES CITRUS ELECTRIFICATION PROJECTS

FL092330 Bridgetown CANA in English 1734 GMT 9 Feb 84

[Text] Kingston, Jamaica, 9 Feb (CANA)--Jamaica is to receive 16.6 (J) million dollars (1 JCA dollar ; 30 cents U.S.) from the European Development Fund (EDF) to finance two new projects in citrus development and rural electrification, the European commission delegation here has announced.

According to local EEC delegate, Roger Booth, the financing for the projects means that 41.6 (J) million dollars has been approved for spending out of Jamaica's 72 million dollar (J) allocation under the Lome II convention between the 10 European community countries and 64 African, Caribbean and Pacific (ACP) developing nations.

Booth said that the citrus project, for which 9.5 (J) million dollars is being provided, is to make available loan funds to farmers with up to 25 acres to rehabilitate their orchards.

He said that up to 300 farmers with a total of 4,000 acres of citrus will benefit, helping to substantially increase production for local consumption and export.

The project is to run for five years.

For the rural electrification project 7.1 million dollars (J) is to be provided for additional work under the scheme which began in the 1970s.

Booth said that 154 extensions to the distribution system over 160 miles will be provided, 2,800 new users connected to the electricity system, and 2,500 houses wired.

This programme is to be co-financed by the Jamaica Government with 7 million dollars (J).

The government's rural electrification scheme is to improve the living standards of rural communities, increase agricultural productivity and ultimately help to stem rural-urban migration.

COUNTRY SECTION

MEXICO

VELAZQUEZ DISCUSSES POLITICAL, LABOR, ECONOMIC ISSUES

Minimum Wage Increase Called Unconstitutional

Mexico City EXCELSIOR in Spanish 3 Jan 84 pp 4-A, 18-A

[Article by Angel Soriano]

[Text] Fidel Velazquez acknowledged yesterday that the 30.4-percent increase in the minimum wage was unconstitutional because it does not satisfy the basic needs of the workers. It was accepted as a means to end the crisis and preserve labor unity with the government "which used good reasoning, not pressures, so that we would accept this increase."

However, he warned that since the businessmen did not yield but began a price escalation--up to 30 percent higher--it will be necessary to demand higher wages through revisions of collective contracts or to ask for a new meeting of the National Committee on Minimum Wages.

The leader admitted that there were union groups in the Labor Congress that demanded an increase in the minimum wage of at least 40 percent. However, in order to preserve labor unity, they agreed to accept the government proposal of 30.4 percent "since this figure is based on real figures from the current economic situation of the country."

Fidel Velazquez was asked whether the bases would go over their leaders because of the disagreement with that increase, especially because of the new electricity rate increases that will mean a new price escalation. He answered: "We'll see...."

He also said that he has reports on prices shooting up for different articles of prime necessity as well as other articles indispensable for family subsistence. "It is not known when they (prices) will slow down."

He also acknowledged that the production system will have problems with the increases in electricity rates. However, he said that the businessmen must also look at the positive side of this problem since the wage increase is favorable for them.

## IMF Requirements Criticized

Mexico City EXCELSIOR in Spanish 5 Jan 84 p 12

[Article by Humberto Aranda]

[Excerpt] An increase in contractual wages will be the result of a struggle between the two production factors. The labor movement is no longer in the position to accept more limitations imposed by the IMF, warned CTM [Confederation of Mexican Workers] leader Fidel Velazquez yesterday.

Leonardo Rodriguez Alcaine, CTM organizational secretary, stated that there will be many strikes in 1984 if the imbalance between the production factors worsens. He emphasized that the government and the businessmen must stop the rising prices so that the unions can support a moderate wage policy.

Porfirio Camarena Castro, secretary general of the National Union of Professionals at the Service of the Workers--union advisers--felt it was "inappropriate to agree with the IMF on price liberation and then expect wage increases to be based on a fixed figure."

As part of these reactions to the Letter of Intention that Mexico will present to the IMF, Velazquez stated: "I think it will be very difficult to achieve that 40 percent" inflation that the government proposes for 1984.

Interviewed at his office, the top leader of the CTM gave his opinion about the wage increase based on government expectations for this year.

"The IMF does not need to say that. It is already being done with the 30.4-percent increase in the minimum wage which was not enough."

He added that the labor sector will act according to circumstances in 1984 but denied that it plans to ask for an emergency wage increase. He explained that the collective contracts will be revised and they will use the amendments to the Federal Labor Law so that the National Committee on Minimum Wages meets again.

Asked whether social peace is in danger since the labor leaders accepted increases that do not satisfy the needs of the workers, Velazquez answered:

"That might be true. National unity is also a very important factor that we must tend to. We will do everything possible on our part so that it is not impaired. Government efforts are aimed at fulfilling the employment goals it has set. Unfortunately, these are not as productive as desired."

## CTM Fidelity, STPRM Taken Up

Mexico City EXCELSIOR in Spanish 7 Jan 84 pp 1-A, 8-A

[Article by Humberto Aranda]

[Text] Stating that national unity "is a very important factor" for the solution of the country's economic problems, Fidel Velazquez said that the CTM

will never hurt that unity. He stated: "Solidarity with the government will last forever if this also serves to strengthen and guide Mexico along other routes after the crisis is over."

He also stated: "The value of unity, the value of the social peace that the CTM has established in Mexico, are immeasurable to the CTM. They cannot be ignored, given the economic situation.

"Now that this situation is getting worse and the workers are hurt time and again because of that situation, we keep reaffirming that unity must save us."

The CTM secretary general expressed the above to the leaders of the 29 sections of the STPRM [Trade Union of Petroleum Workers of the Mexican Republic] headed up by Salvador Barragan Camacho, secretary general. They had come to give him New Year's greetings.

Barragan Camacho also expressed the permanent gratitude of the STPRM to Fidel Velazquez "because during the raging attacks some weeks ago, a few months ago, you were the only one to defend the dignity and honor of the STPRM.

"Therefore, in addition to presenting you our best wishes and the loyalty we have always had, there will now be 'superloyalty.' We are ready to back you in any action in favor of the workers and to side with you in any situation."

Earlier Onesimo Escobar, secretary general of Section 26 of the STPRM (Las Choapas, Veracruz), in the name of the union, called Fidel Velazquez "an example for many generations." He "has been the best leader in Mexico, the best friend of the workers and the best adviser to the petroleum workers." He also said: "Fidel Velazquez is with us for a long time."

Escobar emphasized that it is necessary to prevent the spread of misunderstandings and disputes under the current difficult circumstances of the country.

#### Aggression Against Labor Movement

During the meeting in the CTM building, Fidel Velazquez answered that the visit from the petroleum workers was very significant because "it occurs under very difficult conditions for the country and for the working class. These times demand unity and solidarity."

He stated that the internal unity of the labor movement as well as the unity between the movement and the government are indispensable to solve the difficult financial situation of the country.

In reference to Onesimo Escobar's speech, Velazquez said that the words of the petroleum workers leader "demonstrate that the STPRM is on the right line where it has been since its creation, fighting in defense not only of the workers but all the country.

"Therefore, the CTM has put all its strength into defending it from intrigues, aggression and slander against it.

"In addition to the fact that this is our obligation as representatives of the proletariat, it is also our conviction because we have always been sure of the loyalty of the STPRM and the great work it has been doing led by that great natural leader, Joaquin Hernandez Galicia."

Fidel Velazquez stated that he also defended the STPRM because "we feel that the aggression, slander and maneuvers were aimed not only at the petroleum workers but at the entire labor movement."

#### Cooperation with PRI Sectors Stressed

Mexico City UNOMASUNO in Spanish 8 Jan 84 p 4

[Text] Fidel Velazquez, secretary general of the CTM, told the leaders of CNOP [National Confederation of Popular Organizations]: "Our commitment is to continue taking positions of solidarity facing the problems of the country in general and our organizations in particular."

He added that the CTM will act in accord with the other two sectors of the PRI [Institutional Revolutionary Party]--the popular sector and the peasant sector--in basic political decisions for the country and its political organization.

The CNOP leaders led by the CNOP secretary general, deputy Enrique Fernandez Martinez, visited the CTM leader yesterday to demonstrate "the gratitude of the PRI popular sector for the support received from the deputies of the labor section in the 1983 legislative work."

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CSO: 3248/396

COUNTRY SECTION

MEXICO

MARTINEZ VERDUGO HAS HARSH WORDS FOR JARAMILLO

Mexico City EL DIA in Spanish 3 Dec 83 'Metropoli' supplement p 2

[Article by Angel Aguilar Perez]

[Text] Arnaldo Martinez Verdugo, former presidential candidate of the PSUM [Unified Socialist Party of Mexico], agreed that internal problems continue in his party. He said that, despite this, "we are on the right path." He referred concretely to Roberto Jaramillo Flores who continues acting as leader of the PSR [Revolutionary Socialist Party] in spite of being a member of the CC [Central Committee] of the PSUM. He said that Jaramillo has not participated in the partisan tasks of the PSUM.

Martinez Verdugo spoke at a press conference, part of a series the PSUM of the DF [Federal District] has organized under the theme "Party of the Masses." There were almost 70 people present.

Concerning Roberto Jaramillo, he said: "One part of the PSR has joined in the PSUM work through the corresponding base organizations. Another part has not joined, concretely comrade Jaramillo and some other comrades."

He stated that the PSUM sees no obstacle in the PSR comrades joining the PSUM. He added: "However, we cannot do anything to force them" to participate in partisan tasks.

He indicated that they regret the position taken by Jaramillo and others in the PSR. He repeated: "We can't do anything about it." He explained that the position those comrades have taken is apparently based on the idea that the PSUM should maintain its initial form of Associate Leadership. Each organization that merged placed 20 members on a central committee of 100.

Martinez Verdugo noted that this procedure was agreed on only for the initial period which has already passed.

PMT Backed Down

There were two attempts at merger with the PMT [Mexican Workers Party] (one when the unification of several organizations created the PSUM and the other after this was already formed and recognized). Martinez Verdugo referred to

the second attempt: "A short time ago, before our second congress, we entered into discussions with the PMT and reached some conclusions. For example, we reached the conclusion that we were going to present a plan for unity at our congress and the PSUM assembly. We agreed that the name of the PSUM would be maintained.

"However, when our congress opened, the PMT comrades proposed that the name be discussed again. We simply refused, not because of a fetish for names but because first there was the Coalition of the Left under the registration of the PCM [Mexican Communist Party]. We changed this to the PSUM 3 years later. To change the name again now was not appropriate; the people would not understand."

According to Martinez Verdugo, this conclusion was accepted as reasonable by the PMT representatives so they discarded the question of the name. He noted: "Later, they regretted it."

He indicated that the PSUM is aware of the problems but, at the same time, it is aware of the importance of unity--thus, the persistence toward that goal.

He also revealed that the PSUM is trying to promote unity in action now. He indicated that this programmatic unity of the leftist organizations is important to stop the onslaughts by the oligarchy that hurt the working classes of the country more and more.

He announced that different political parties and organizations of the left--recognized and unrecognized--are now holding talks about a series of actions including "taking the general initiative, for example, in the fight to increase the minimum wage which is important."

All this programmatic unity in action, the speaker continued, "can create better conditions for us to continue strengthening the left into a single organism or several organisms--concentrating it, making it stronger."

Referring to other parties like the PPS [expansion unknown] and the PST [Socialist Workers Party], Martinez Verdugo emphasized that it is necessary to remember that those leftist organizations are basically supporting government measures although they have expressed some disagreements that the PSUM has considered. He stated: "We are open but they--the PPS and the PST--have to demonstrate that they are ready to enter into an alliance with us. So far they have not demonstrated this. They have systematically rejected the calls for unity."

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COUNTRY SECTION

MEXICO

LUGO VERDUZCO SEES NEED TO DEMOCRATIZE PRI

Mexico City UNOMASUNO in Spanish 6 Jan 84 pp 1, 4

[Article by Rene Delgado]

[Text] The national leader of the PRI [Institutional Revolutionary Party], Adolfo Lugo Verduzco, stated yesterday that they must not give "any respite to the reactionaries." He also said it is necessary to give the official party "the strength and force" that the moment demands.

The leaders of the SNTE [National Trade Union of Education Workers] came to give him New Year's greetings. Lugo Verduzco admitted to them: "We need to democratize our party more and carry out social organization. This provides the basic context of party organizational actions."

The PRI leader stated this after Alberto Miranda Castro, secretary general of SNTE, demanded "the legitimate right" of his organization to have "broader participation" in municipal, state and national party leadership. He recalled that SNTE "has been a decisive factor in winning popular votes."

Miranda Castro also said that the crisis has been exploited by the "reactionary forces" to mislead and confuse some groups of citizens. It compels a "realistic revision" of party structure and strategy.

In response, Lugo Verduzco explained: "There is plenty of room in the heart of our party for the education workers to participate. In fact, the teachers are filling more leadership positions in the PRI at the state and municipal levels and in the sections." He added that many teachers are candidates in elections; their participation in that type of activity has increased.

However, Lugo Verduzco also recognized the need to democratize the party. It must especially recover "the management ability" it had at the beginning. He said: "We need to rediscover the party that Miguel de la Madrid had during his campaign." He stated that it will only be possible to lead the Mexicans with a strong party "in this advanced stage for the party convoked 54 years ago."

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COUNTRY SECTION

MEXICO

PRIESTS, BISHOP CONDEMN MICHOACAN LOCAL ELECTION

Mexico City EXCELSIOR in Spanish 6 Jan 84 p 21-A

[Text] Civil rights were violated in the elections at Zamora, Michoacan, according to priests there led by Bishop Jose Esaul Robles Jimenez. They added that, intentionally or not, this kills civic spirit.

In a message to all the Christians in the community, the priests commented: "Unfortunately, history has repeated itself. Instead of competition under civic loyalty, there were attempts to destroy the political opponent through personal attacks, slander and violence."

They added: "Uncontrolled passion was placed above reason in running for political positions. Everyone knew that the first count witnessed by a notary did not show the official party as winner. No one expected other versions later."

"Once more, the basic right of all citizens to participate effectively in the life of the community has been violated. As pastors, we feel the need to fulfill our duty. Therefore, we make a moral indictment (citing Vatican II, the Church in the Modern World)--outside of any partisan position--of this action that violated the basic rights of man and, therefore, is completely reprehensible.

"As pastors, we must also say that we do not see how a position of authority can be legitimated and exercised in conscience and effectively in a democratic society by someone who was not elected."

The priests indicated that exemplary behavior, fulfilled duty, must not be the cause of frustration even when the dirty tricks of others have been proven. We cannot, we must not lose faith. We must not give way to disillusionment or distrust. Let us continue participating actively in the life of our community.

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COUNTRY SECTION

MEXICO

PSUM EXPELS STATE LEGISLATOR MORENO

Mexico City EL DIA in Spanish 3 Dec 83 'Metropoli' Supplement p 7

[Text] Toluca, Mexico, 2 Dec--The state steering committee of the Unified Socialist Party of Mexico (PSUM) has decided to expel Deputy Gumaro Moreno, citing deficiencies in his behavior in the legislature. Moreno felt that the decision was made hastily, that no consideration was given to its possible repercussions and that the committee acted on bad information.

He felt that it would be appropriate to file a protest with the PSUM's National Steering Committee over the state committee's decision and to immediately demand that the decision be revoked.

The problem arose because he did not hand in his "per diem allowance" on time; this is part of his wages as a deputy in the 48th legislative session. He said that he was late in doing so because he did not agree with a number of determinations.

He seemed confident that the conflict would be resolved and that his public image would soon be vindicated. He also voiced complete confidence in the PSUM's ideological line, "which I will always respect," he said.

Gumaro Moreno's expulsion from the PSUM's caused great surprise in political circles because in recent months he had staunchly defended the party's ideology during every debate in the local Congress.

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CSO: 3248/393

## DIMENSIONS OF, COMMITMENT TO LAND REFORM DISCUSSED

Mexico City EXCELSIOR in Spanish 7 Jan 84 pp 1-A, 10-A

[Article by Aurora Berdejo A.]

[Text] Veracruz, Veracruz, 6 Jan--The Agrarian Reform Secretariat will not encourage vain hopes of land distribution where there are no longer any lands to distribute; that would be "immoral." Moreover, based on the recently passed amendments to the land reform law, the secretary of agrarian reform "publicly and personally takes responsibility to see to it that nonexpropriation certificates are not issued to conceal large landed estates or to foster pretenses." Furthermore, the streamlining of legal proceedings is an attempt to prevent people from living off their investment income, to stop bossism and to deter the abandonment of parcels that were created through slow bureaucratic formalities. These remarks were made today by Luis Martinez Villicana.

The keynote speaker at the ceremony commemorating the issuance of the Agrarian Law of 6 January 1915 (a ceremony headed by President Miguel de la Madrid), the head of the Agrarian Reform Secretariat (SRA) also noted that the amendments would accomplish the following goals. Capital will be formed so that the peasants can develop their forest resources; title will be awarded to the properties over which there are no conflicts with the Indians, and prompt agrarian justice will be administered because "neither the country's size nor the number or magnitude of its problems nor the patience of the peasant farmers nor the need to revamp production can justify the fact that some proceedings have been in the pipeline, if in fact they have been, for decades."

The ceremony was held in the Benito Juarez Auditorium in this port city, and during it the leader of the National Peasant Confederation, Mario Hernandez Posadas, said that the approved amendments and additions to the Federal Agrarian Reform Law are the result of the consultations with the people that the administration has undertaken, cautioning:

"People who are alien to the peasant farmers, who are not agrarianists, who represent no one in the countryside, who have no background there and who have no historic responsibility should not seek to defend

the peasants," and much less, he added, "should those who want only to make themselves look good by adopting artificial stands."

The CNC leader had previously said that the president of the republic is still the supreme authority in the country's agrarian reform, because only he is concerned about what history says, while other authorities engage in other dialogues and are concerned about other problems.

Both speakers gave a detailed rundown of the ways in which the government has supported the growers through price guarantees, inputs and other benefits.

#### Ups and Downs in Land Distribution

Martinez Villlicana acknowledged that there have been ups and downs in land distribution, for which several methods of organization have been tried out. Nevertheless, he said, the results are there to see. More than 100 million hectares have been distributed to 3 million peasant farmers in 27,000 ejidos and communities, while there are a million true small landowners, who for 45 years have given the country an agricultural economy that has been its main source of jobs and largest producer of goods.

He asserted that the agrarian reform cannot be limited to the distribution of lands, because this is too narrow as a concept and too minor as a revolutionary task." He then stated that during its first year the administration of President Miguel de la Madrid has accomplished more in the agrarian reform than previous administrations, "which bespeaks its firm intention to hasten the agrarian reform process."

He noted that in 1983 presidential resolutions were issued handing over 745,000 hectares to 19,000 peasant families, while 70,000 hectares were physically transferred to more than 22,000 farmers.

"The distribution of lands will not stop," he asserted. "The process is not over, and even though it becomes harder every day to meet agrarian needs, the constitutional mandate is clear and President De la Madrid's resolve is firm. But just as it is revolutionary to distribute the lands that remain to be transferred, it is also revolutionary to tell the truth when there are no lands in the regions where peasant farmers are asking for them, because when we can no longer accomodate them, it is immoral to encourage vain hopes or to foster actions that lead to lawbreaking."

He reported that in 1983 6,500 ejidos and communities covering 19 million hectares were regularized for the peasant farmers. This represents almost one-fifth of the total land area that has been distributed since the agrarian reform began.

He pointed out that the rural real estate census under way would uncover surplus distributable lands and that the files on 310 farm settlements covering almost a million hectares are being completed.

He went on to say that the formalities have been completed for the issuance of more than 4,000 nonexpropriation certificates to true small landowners. In this same regard, he said that these certificates have long been a problem, because the fear is that new concentrations of land could be concealed after they are issued, and thus "because of a few hundred people who would take advantage of the system," a million poor peasant farmers have to wait and wait for a certificate that will give them security.

#### On the Side of the Farmers

Martinez Villicana asserted that the government "is on the side of the peasant farmers who do not want to wait any longer and on the side of a country that no longer can wait." He added that everyone's rights would be respected and that the law would be scrupulously observed.

He explained that under the amendments that were passed the Mexicans who for more than 20 years have farmed the country's most remote lands would be given title to them, that certificates of nonexpropriation would be issued to a million true small landowners and that the decisions of the majority in the elections for a change of ejido authorities would be enforced.

Hernandez Posadas stated that as for the recently passed amendments and additions to the Agrarian Law, "we are not going to discuss them with anyone," because they are designed to simplify and streamline the formalities that the peasant farmers must go through. He then went on to say:

"The humble are hurt more by a lack of justice than by a lack of money. Therefore, the bills that the Executive Branch has sent to the Congress have always been imbued with a great sense of justice. We will see to it that these reforms are enforced and we hope that they work to the benefit of all the country's peasant farmers."

After the ceremony, President De la Madrid and the retinue accompanying him on this trip visited the monument to Venustiano Carranza, where the president placed a wreath of flowers.

At the ceremony he symbolically presented documents to thousands of ejidos and awards, medals and diplomas to SRA employees to mark agrarian servants day, which was also celebrated today.

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COUNTRY SECTION

MEXICO

BRIEFS

FEDERAL DISTRICT POLICE DRAGNETS CRITICIZED--The Unified Socialist Party of Mexico (PSUM) has condemned police raids as a crackdown on the lower classes, who have been hardest hit by the economic crisis, saying that far from resolving the problem of citizen insecurity, they are aggravating it. The secretary general of the PSUM committee in the Federal District, Ivan Garcia Solis, said that in addition to being unconstitutional, they are conducted only in lower class areas, never in districts such as El Pedregal, Las Lomas, etc, and are therefore classist and aimed at cracking down on the groups that are the most vulnerable and that are suffering the most because of the current administration's economic policies. The insecurity problem will not be resolved by increasing the number of patrols, motorcycles or policemen nor by the latest amendments to the police and good government law that the president submitted to the Chamber of Deputies. The city and its inhabitants demand a change of government and demand that delegates be elected democratically and that they be responsible for running and controlling the police force. He commented that the murder of Cayetano Godinez, a resident of San Bernabe Ocotopec, during one of the dragnets on 27 November in Cerro del Judio was one of the thousands of citizen rights violations that have been committed, in Tlalpan for example. He said that the PSUM plans to form a front against these illegal roundups and to offer specific proposals in the Chamber of Deputies, but he did not amplify on his remarks. [Text] [Mexico City EL DIA in Spanish 4 Dec 83 'Metropoli' Supplement p 3] 8743

CEESTEM OPERATIONS RESUME--CEESTEM [Center for Third World Economic and Social Studies] lost a government subsidy for 250 million pesos but began its academic research work again yesterday. It only retained 10 percent of its workers but had all its education students. [Text] [Mexico City EXCELSIOR in Spanish 4 Jan 84 p 5-A] 7717

CSO: 3248/410

## REVOLUTION STILL COMMITTED TO PLURALISM, MIXED ECONOMY

Managua EL NUEVO DIARIO in Spanish 2 Jan 84 p 2

[Article by Leon Cabrales: "The True Revolutionary Program"]

[Excerpt] It has been reported, as if it were a crime, that the revolutionary Sandinist government has engaged in activities with a view to exporting its political model to other Central American countries. This concern (if in fact it is not a pretext) has its origins in ignorance of the true nature of the political program of the Sandinist People's Revolution, despite the fact that it has been publicly known since before the triumph over the genocidal dynasty of the Somozas. It is a fact that some well-intentioned and enthusiastic revolutionary and internationalist Nicaraguan intellectuals have written rambling ideological articles concerning a more or less distant future, but they have not taken up the reality of the program which has been developing in our country since 19 July 1979.

The Latin American and European nations and the international political organizations which have maintained constant and active solidarity with the Nicaraguan revolution have placed special stress in their public statements of support on the fact that the reason for this solidarity has its basis in three basic principles in the program: political pluralism, mixed economy and nonalignment. This is definitely true and a determining factor in the cases of the countries, organizations and individual leaders who contributed powerfully to the triumph of the Nicaraguan revolutionaries in the bloody struggle which buried the genocidal dynasty.

Political pluralism means that there can be no single party; a mixed economy means that there can be no exclusive state ownership of the means of production. Nonalignment means that there can be no dependence on the hegemonic powers which are vying for leadership of the world, which does not necessarily mean enmity toward them.

The main concern of the revolutionaries must be consistent strengthening, without continuity in government as the solution, of these three basic principles of the revolution. Any action or omission which weakens them is counterrevolutionary. The Law on Political Parties comes within the framework of the need to invigorate pluralism. To the extent that it promotes the development of party activity, it is achieving its goal.

The proposed Electoral Law will provide the structure which will allow the people to express their sovereign will.

The responsible leaders of the revolution, honoring a commitment which is unavoidable but freely assumed, because it was in reality at the heart of their political desires, have set the year 1985 as the deadline for summoning the people to vote in free and honest elections, which are to be held that same year with direct and secret balloting.

It is in no way accidental that the revolutionary program includes the mixed economy principle. On the theoretical level, that clear-thinking and constructive statesman, the founder and guide of the Sandinist National Liberation Front, Carlos Fonseca, wrote the following definitely enlightening paragraphs in the prologue to his work "A Nicaraguan in Moscow."

"Let it not be believed for a single moment that in reporting on the progress of Russia, I am intending to tell the people of Nicaragua that the elimination of private ownership of the means of production is the path we must choose at this time to resolve the numerous problems which plague us.

"Not for a single instant could this be my intention.

"I believe that under the present historical conditions which we Nicaraguans are experiencing, private ownership has to play a role of primary importance in the program of our country."

Problems to which the guide of the Sandinist Front referred have become more acute and have been aggravated under the present historical conditions, due to the influence of domestic and foreign factors, thus giving full and inevitable validity to the realistic assessment by the founder. This is why his people cry "Long Live Carlos!"

Carlos Fonseca lives, and thus we see that 60 percent of the industrial means of production belong to the private sector, that in farm production (average and large producers), the private sector controls 50 percent of the rice, 50 percent of the sugar and 50 percent of the livestock. The state supports private business with unbiased bank financing, and is interested in promoting it for the strengthening of the overall economy of the country.

Of the 3 million people living in Nicaragua, 99.9999 percent are Christian.

It has therefore surprised no one that, from the first movement of rebellion against the genocidal regime, almost all of the combatants were Christians, and they put into the struggle a definite religious inspiration, with the conviction that they were fighting against evil. At a given moment during the confrontation, the people felt themselves invested with an almost supernatural virtue. They lost their natural fear of death and faced up with the most unlikely weapons to an army which was powerfully equipped and meticulously trained to kill. And so they fought until the final rebellion and they won victory, leaving 50,000 Christians dead in the cities and villages and on the roads, those who fell in the heroic contest.

With triumph guaranteed, the Christians, still representing the vast majority, almost the whole (young people, adults, the elderly of both sexes), won

the stupendous battle against ignorance in the fabulous National Literacy Campaign, and a large proportion, without dismounting, so to speak, are pursuing the Adult Education Program in the army ranks.

Thousands of Christians enrolled in the vaccination brigades. They invaded the coffee plantations and scattered throughout the fields of cotton and sugar cane. Thousands went on, guns on their shoulders, to make up the EPS [Sandinist People's Army] and the MPS [Sandinist People's Militias]. Thousands of people organized in the ATC [Association of Agricultural Workers], in the CST [Sandinist Central Organization of Workers] and the JS [Socialist Youth], and joined the mass organizations. Tens of thousands took the educational institutions on the various levels by attack.

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CSO: 3248/374

**REGRESSIVE PROPOSALS OF OPPOSITION CRITICIZED**

Managua EL NUEVO DIARIO in Spanish 3 Jan 84 pp 1, 10

[Editorial by Danilo Aguirre Solis]

[Text] I. National conciliation, a return to the original program of the revolution and justification of the armed counterrevolution in terms of the failure of the former--these issues were at the heart of the discussion pursued throughout all of 1983 by the members of parties or business groups opposed to the Nicaraguan revolutionary process.

Entering into a new year and on the threshold of electoral institutionality in our fatherland, the sectors mentioned must undertake profound internal reflection and definition of themselves--those who have used as their arguments diversionism and a waiting period, while the imperialists provide them with the "best weapons," and those who in reality think that there are forms consistent with the revolution which can strengthen national unity.

To achieve this it is imperative that instead of limiting themselves to judging the actions of the revolution a posteriori, or suggesting eminently formal and backward programs, completely divorced from our national reality, they define their positions with the patriotism and revolutionary feeling they claim inspire their actions.

**Public Freedom**

II. They should, for example, begin by disassociating their demands concerning public freedoms from the nature of the political program they propose for the new Nicaragua. We all know that with regard to the former, there can be no discussion of the need for them, and the revolution would not justify its name if it did not have the most profound commitment to ensuring that they prevail in our country.

However we know, objectively speaking, that the constant aggression against Nicaragua has made it compulsory to declare a state of emergency which does not allow the citizens' guarantees to function normally. And this is no novelty, given situations such as those being experienced. What is novel instead is that limitations should be inconsistent with the magnitude of the aggression.

While we all want habeas corpus and the other guarantees to be in full effect, the proper thing is to establish the specific cause of limitations on them,

rather than trying to use them as arguments against the nature of the Nicaraguan process, much less enclosing them in a vicious circle with the legitimacy of the counterrevolution.

#### National Conciliation

III. In connection with national conciliation, it would provide evidence of their sincerity if the dissident factions would review their claims and realize the utopian and extremely dangerous results if their demands were met with a view to such conciliation, immediately causing the greatest "lack of conciliation" in our history with regard to the popular sectors, which are in the vast majority.

What do they think would happen if overnight, the police, the army and the people's militias were told that they are no longer Sandinists?

What do they think would happen to the future of Nicaragua if the popular regime were dismantled and the government official-businessmen were suddenly to appear in ministries and throughout the public administration?

And finally, what do they think would happen if suddenly the unrelenting agents of the old Somoza era and a "professional army" were to reappear in their homes, undertaking to guarantee calm in Nicaragua?

There is no doubt that a battle would develop again, and those same people who are urging this backwardness today would regret the chaos and the anarchy which would prevail.

Thus opposing programs such as those which the so-called opposition has supported to date is not only an act of political legitimacy, but a responsible action.

National unity can be strengthened more if these complainers channel their activity toward the improvement of our institutions, toward the correction of the real injustices which may have been committed, and toward filling the only space in the national political spectrum which has not reacted with patriotism and sovereign dignity by openly and resoundingly rejecting the hegemonic intentions of the imperialists which are bringing such sadness and destruction to the most humble families of Nicaragua.

#### "Return to the Original Program"

IV. It is not possible to continue to talk of a "return to the original program of the revolution" without providing any concrete details of this intangible "return" other than the reconciliation of the sociopolitical plans of the country with the most bitter precedents in exploitation racial discrimination, consumerism, the destruction of culture and the "roboticization" of the citizen, to speak of only some of the domestic effects of Mr Reagan's paradise.

They should understand that the Nicaraguan revolution is not a revolution unless it changes, unless it produces a "radical alteration in structures," to use the most hackneyed phrase which was formerly reiterated in the manifestos of these parties.

No political proposal by these people who engage in fabrication to limit revolution or prevent it is valid any longer in Nicaragua, particularly now that some of these proposals, transformed into political parties, have triumphed in some American countries and once in government, have neither been able nor wanted to bring about any real change.

It does not suffice simply to state that they do not want these changes to occur. They must state exactly what they want, with a view to a clear definition of those who are against any change at all and those who are simply afraid of such changes.

#### The Elections

##### V. Perhaps the clearest example is that of the elections.

We all agree that the government should be the expression of the people's will. Some believe that without changing the voluntary and secret nature of the vote, care should be taken to ensure that there is in addition awareness and a real will to participate, avoiding the hateful and repugnant example of other countries, and our own past, in which the masses have been determined to vote and the petty politicking elite to command.

Others tear their hair and protest that the elections will certainly be like those in this or that country, concealing the fact that they really want them to be like those in the nation of the gentleman who was elected president with more than 80 million absents.

Would it not be better for them to contribute to changing this vote so that it would have the attributes described?

A positive response would be an example of honesty in their statements. A negative attitude would only reflect their fear of this kind of vote.

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CSO: 3248/374

**SANDINIST DEFENSE COMMITTEES PRAISED FOR SOCIAL ACTION**

Managua EL NUEVO DIARIO in Spanish 2 Jan 84 p 2

[Article by William I. Robinson, special ANN [NEW NICARAGUAN NEWS AGENCY] correspondent]

**[Excerpt] The CDS Promotes Social Progress**

Despite the crushing task of national defense, the members of the CDS [Sandinist Defense Committees] have continued their work of national construction and social transformation.

The fact that revolutionary vigilance has succeeded in reducing the level of crime by 80 percent is notable.

The reduction of social problems such as drug addiction, prostitution and theft are viewed by the CDS as problems for which joint solutions must be found.

The CDS are also responsible for the provision of basic social services. They have been the greatest mobilizing force in the health campaign; they are coordinating the Basic People's Adult Education programs, as a continuation of the 1980 National Literacy Campaign; they are participating in housing, school and public service construction projects; and, with great thrust and initiative, are undertaking their own projects, such as a maternity hospital being built by the CDS of 14 neighborhoods, and the political-ideological school they are sponsoring at the Eastern Market, the largest in Managua.

As the CDS structure covers all social strata, it is undergoing constant change, and it is not surprising that the CDS in the popular neighborhoods are the most active, while in the wealthy sectors their effect is almost not felt. To the extent that the process becomes more profound, the CDS are acquiring an ever more explicitly popular nature.

For this very reason, a characteristic expression of them is their vigilance with regard to speculation. On more than one occasion, neighborhood markets have been taken over by the CDS, to prevent the irregularities committed by their owners.

Due to all these activities, the CDS have merited the hatred of the old privileged class. Its members accuse them of being "a spy organization" and

they insist that they be dismantled and excluded from the Council of State, the co-legislative body of the government junta, in which they have major representation, exceeding in number any other sector or party, including the Sandinist Front.

#### In the Revolutionary Regime

The concept of a mass organization such as the CDS, functioning independent of the state, is a new one. The experiment has proved successful as it has become evident that this organization is a tool of the people's sectors for exerting control over the machinery of the state.

"The enemy hates the CDS because they are to be found in the people's militia, in the reserve battalions, in the voluntary police, in the revolutionary vigilance sector, in the health campaigns, at the people's education centers, and in the development projects," Sandinist Commander Victor Tirado said at the celebration of the fifth anniversary of the establishment of the organization.

"Where are the CDS?" he then asked. "We will always be in the revolutionary regime," was the loud response.

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CSO: 3248/374

COUNTRY SECTION

NICARAGUA

BRIEFS

INTERNATIONAL DONATIONS--Corinto--Rafael Cordova Rivas, member of the Nicaraguan Junta of the Government of National Reconstruction, today signed an agreement through which the fraternal people of Sweden, the EEC, and the FAO will donate 18,100 tons of wheat to the Nicaraguan people. The EEC has also agreed to donate other goods valued at 60 million cordobas. [Summary] [PA230359 Managua Radio Sandino in Spanish 1830 GMT 18 Feb 84 PA]

WOMEN'S MILITARY SERVICE--Captain Daniel Pozo, chief of the SMP [Patriotic Military Service] for the 3d Region Managua has announced that the first contingent of women will join the SMP today. Hundreds of citizens organized in CDS [Sandinist Defense Committees], the 19 July Sandinist Youth Movement, AMNLAE [Luisa Amanda Espinoza Nicaraguan Women's Association], and the MPS [Sandinist People's Militia] will bid them farewell. Capt Pozo said that these women are between 18 and 22 years old, and he stressed the importance of women's participation in the SMP, according to the needs of the EPS [Sandinist People's Army]. [Summary] [PA231246 Managua Radio Sandino Network in Spanish 1200 GMT 15 Feb 84 PA]

STUDENTS RETURN FROM CUBA--Thirty-five students from northern Zelaya who had been studying in Cuba have returned to Nicaragua. Some of the students are Miskitos, who said that they are happy to be back home and will join in the revolution's tasks as soon as possible. [Summary] [PA211229 Managua International Service in Spanish 0000 GMT 20 Feb 84 PA]

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